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# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

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13 August 1984

## EAST EUROPE REPORT

### ECONOMIC AND INDUSTRIAL AFFAIRS

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## INTERNATIONAL AFFAIRS

### ACCOUNTING SYSTEM, HARD CURRENCY TRADE IN CEMA ANALYZED

Munich SUEDE OST EUROPA in German No 6, 84 pp 341-351

[Article by Dr Gerhard Fink, director of Wiener Institut fuer Internationale Wirtschaftsvergleiche, Vienna: "Accounting System and Hard Currency Trade in CEMA--Hungary, Romania, Poland"]

[Text] When in the wake of the Korea crisis raw material prices climbed fast, the CEMA countries were induced to deviate from world market prices in their trade with each other. The CEMA countries decided to exclude speculative and cyclical influences of the world market from their region and establish stable and plannable trade relations instead.

That was the fall from grace. Since then the price formation in intra-CEMA trade has been subject to permanent discussions in the East, and in the West, repeated and not rarely even dubious attempts at ascertaining beneficiaries and disadvantaged, exploiters and exploited, whatever the temperament and personal view, run at least into big publicity, if not bitter mental reservation.

#### The Pricing Trend in Intra-CEMA Trade

After the end of the Korea crisis world market prices failed to return to the relations before the crisis. CEMA countries observed partly rather considerable discrepancies between the stop prices negotiated on the basis of the pre-crisis prices and the market prices after the crisis. Simply returning to world market prices seemed unacceptable. (In the last analysis the application of world market prices in intra-CEMA trade thus remained confined to the first year after the founding of CEMA.)

The task for the CEMA countries then was either to find their own price basis for intra-CEMA trade that would meet long-term changing market conditions and guarantee stability or arrange the transition from prices in effect in CEMA trade to the world market prices or to solutions that still had to be found.<sup>1</sup>

The latter was easier than the former. They quickly agreed on the pragmatic way of generally revising and newly establishing the stop prices, and an intensive and imaginative discussion ensued on the principles of price formation, which found a first intermediate solution not until 1958 at CEMA's ninth council session by the so-called "Bucharest Principle."

As the basis for intra-CEMA contract prices they established the world market prices of the main commodity markets cleared of their cyclical influences, the duration of the price accords and reference period to be agreed on between any given trade partners.<sup>2</sup> As of 1965 they went into longer reference periods (5 to 6 years) and established the prices for the whole subsequent five-year plan period. As long as relative prices changed little on the world market the system functioned well.

The drastic hike in oil prices in October 1973 created a new situation. In 1974 the world market prices for oil were three times as high as the intra-CEMA prices.<sup>3</sup> Provisions for such a situation had, to be sure, been made in the previous agreements on the principles of intra-CEMA price setting, in that those principles would only be valid "unless the trade partners make other other agreements."<sup>4</sup> The USSR, which compared to world market prices would have had to suffer great losses, was induced by the oil price hike to press for new and different agreements. The outcome of those negotiations has been in effect since 1975 and is generally referred to as the "Moscow Principle." Prices are meant to be geared to the average of the last 5 years (for 1975 the average of the last 3 years applied), but they have since been set anew for each year. This procedure, to be sure, improves the flexibility of intra-CEMA prices but has the effect that in phases of increasing world market prices the intra-CEMA prices stay below the world market prices, while in times when prices drop, the CEMA prices tend to be higher than the world market prices. Because of this pricing rule world market prices and intra-CEMA prices will happen to be the same at certain moments, e.g. when world market prices have remained unchanged for a longer period or when the previously increased world market price drops again and at a certain moment happens to be as high as its average in the preceding 5 years.

#### Causes for Differentiating Between "Hard" and "Soft" Commodities

The systematic discrepancy between intra-CEMA prices and world market prices may be taken as one of the reasons why there is no notable multilateral settlement within CEMA although in 1964 the International Bank for Economic Cooperation (IBWZ) was founded the transferable rouble was created. By introducing a uniform clearing currency, replacing the always bilateral clearing ruble accounts, the hope was to proceed to multilateral clearings among the CEMA countries. Nonetheless, structural bilateralism continued in the transactions among the CEMA countries because there was no "commodity convertibility" and they continued to settle hard commodities against hard commodities and soft commodities against soft commodities.<sup>5</sup>

It has so far not been possible to come up with satisfactory and exhaustive economic criteria for differentiating between hard and soft commodities. The continuing currency split in four CEMA countries between foreign and domestic currency and the concomitant systems of multiple exchange rates make it impossible for a foreign western observer to compute the actual relations among world market prices, intra-CEMA prices, the exporters' production costs and the importers' substitution costs. The same problem also exists in Poland, Romania and Hungary, where a uniform exchange rate was set, to be sure, for converting foreign trade prices into domestic currency, yet that exchange rate is far from any balanced exchange rate. In those three countries, a multiplicity of skim-off and price support amounts has the same effect as multiple exchange rates.

In general, CEMA considers hard commodities those that can be sold without efforts on western markets and for which the demand exceeds the supply within CEMA. That is true today of oil, meat and some other things. The smaller CEMA countries cannot produce enough oil, they must get it from the USSR or OPEC. As the intra-CEMA prices lie below the world market prices, the USSR could always sell its oil on the world market in convertible currencies. It is economically motivated to sell oil to CEMA countries at intra-CEMA prices only as long as it can get in exchange for the oil other commodities of which it cannot boost its own output and would otherwise have to buy at higher prices on the world market, paying in convertible currencies, such as foodstuffs (meat).

The situation of a soft commodity would clearly be given if a commodity cannot be sold at all on the world market but could still be sold in CEMA. An importer will take such commodities only when he can ease his own production capacities through appropriate imports and can through those capacities produce other commodities more favorably than import commodities.

What has presented up to this point ought to be sufficient to explain the fundamental problems. If, e.g., two young cats are traded for a young dog, it remains immaterial for the time being whether each cat brings two marks and each dog four marks or a cat one million and a dog two million. The cat/dog account (= soft commodities) is in balance in either case. The problem only arises when in the second case, e.g., a cat fails to be delivered and the dog exporter finds himself with an excess of one million. His trade partner is not likely to want to balance the "soft commodity" account by deliveries of oil, e.g., at a price of DM 280.00 per ton (a very hard commodity). He will insist on getting also hard commodities in exchange for the oil and might, to balance the cat/dog account, offer two canaries at DM 500,000 each.

The differentiation between soft and hard commodities (for which further graduations would have to be considered) is going to reinforce the structural bilateralism in the clearing between the CEMA countries. It appears virtually impossible for settling balances in bilateral trade relations, incurred though not planned, multilaterally without running into problems. A multilateral clearing of deliveries is virtually possible only if the trade partners involved agreed on a multilateral clearing of trade contracted for even before the deliveries were made. According to several reports, the multilateral clearing in transferable rubles is to come to no more than 1 1/2 to 2 percent of the turnover.

#### Conversion Into Hard Currencies

Conversion into hard currencies joined the multilateral conversion into transferable rubles in the 1970's. That is mainly contributed to three causes:

1. The CEMA countries' increasing debts were burdens that rapidly increased demands for hard currency revenue. Some CEMA countries simply could no longer afford to sell for transferable rubles those commodities that can bring in more or less profitable hard currency on the world market. Decisive here is the revenue in currency at the time that payments in western currencies fall due.

2. Selling against western currencies makes revenue surplus genuinely convertible for use as payment to western trade partners.
3. Agreeing on payments in western currencies has made supplies more secure for a number of products. A supplier rarely is interested in meeting the delivery schedules because he needs the money, or when shipments were meant to be paid for in hard currency he may be forced, when delivery deadlines were delayed, to pay for the previously received shipments in western currency.

Right now, according to S. Richter,<sup>6</sup> we can distinguish four forms of clearing in the intra-CEMA trade:

1. Clearing turnover in transferable rubles,
2. business designed in transferable rubles,
3. ad hoc tradeover in convertible currency, and
4. business designed in hard currency.

Clearing turnover in transferable rubles are the standard transactions in soft commodities. This, in principle, seeks a long-term clearing of trade balances in this sector. For temporary balances, IBWZ can grant short-term credits in transferable rubles, generally at low interest rates (2 to 4 percent). When the imbalance is more long-range, the country must through its export surplus grant the partner its own credit in transferable rubles, substituting for the IBWZ credit. Such credits, it is reported, call for circa 4 percent interest.

For trading in hard commodities, an immediate settlement is generally sought. Various types of business therefore are designed in such a way that accounts are balanced automatically when all the contract business is done. The multi-lateral conversion into transferable rubles constitutes a special case. There everything is designed in such a way that at the end there is a multilateral balancing of accounts.

The so-called ad hoc tradeover in hard currencies constitutes a somewhat broader category. S. Richter divides that into various types of transactions. Such business is likely to be caused mainly by supply bottlenecks. One CEMA country seeks to eliminate through imports an unplanned bottleneck, while another CEMA country had planned to offer the commodity needed on the western market. In such a case they will agree on a transaction in western currencies.

In the 1960's it presumably still happened that CEMA countries could not agree on payments in western currencies. A potential supplier then presumably offered the commodities to a western transit trader who would sell the goods to some other CEMA country, adding an appropriate extra charge for his own profit.

As supply bottlenecks may always arise, some countries have set up special accounts (Richter: special account deals) for such hard currency business. Here they seek in bilateral trade, in principle, to balance the western currency account without directly matching commodities against commodities. If it has remained unbalanced for a longer time, the crediting country is likely to refuse further deliveries or insist on balancing the account by payment in foreign exchange before authorizing further shipments on a dollar basis. The "special account" thus conforms to the classical clearing case, only that that account presumably is balanced in western currencies and at world market prices.



Finally Richter refers to business designed in hard currency, which is evidently important in the case of Hungary. In principle, two CEMA countries will agree on deliveries and supplies of the special goods they want. Yet at the time of coming to such an agreement it is not yet clear what volumes can actually be supplied or what volumes are actually taken. In such a case a business contract is possible only when, in principle, the world market prices apply. If one partner does not take it all or cannot supply it all, no loss occurs to the other one because the commodity supplied is paid for in hard currency or the commodity not supplied can without problem be sold in hard currency on the world market. It has been learned that Hungary's hard currency surplus vis-a-vis the USSR is due to such a deal. The USSR committed itself to supply Hungary, in case it needed it, with extra volumes of oil at world market prices exceeding the contingent cleared in transferable rubles, while Hungary held out prospects of additional meat and food deliveries. Yet since Hungary's oil requirements could be somewhat reduced through the stagnation policy pursued over several years while the USSR resorted to Hungarian deliveries in meat and foods in full, a positive balance was generated for Hungary which the USSR has to settle by appropriate payments.

#### Hungarian Hard Currency Transactions

Only about Poland (1981-1983) are there detailed statistical data on the hard currency transactions with the CEMA countries. Romania only published data on its hard currency transactions with the USSR (1978-1982). Hungarian hard currency transactions with the CEMA countries can be reliably estimated only for the 1976-1983 period, but for the years 1970-1975 the magnitude of the hard currency transactions is ascertainable only within certain time spans because for those years the statistical differentiations in the Hungarian trade statistics in terms of the purchasing and selling country cannot be separated from the hard currency trade.

For 1970, the estimates for the Hungarian hard currency exports to the CEMA countries lie between \$ 12 and 15 million, for the hard currency imports, between \$ 18 and 23 million. The importance of hard currency trade undoubtedly increased noticeably for Hungary in the first half of the 1970's. In 1975 they had circa \$ 320 million in exports (circa 13 percent of total exports in CEMA),<sup>7</sup> circa \$ 50 million in imports (below 2 percent of the imports from CEMA), and a surplus of circa \$ 270 million. They could not hold on to that surplus, however; by 1978, it had diminished to \$ 20 million. After 1978, the importance of hard currency exports revived strongly, showing in 1981, at 17.5 percent, the thus far highest proportion of exports in CEMA. So it came that Hungary could show in 1980 a \$ 500 million surplus and in 1981 and 1982, a surplus of \$ 600 million each in its CEMA hard currency trade. In 1982, the proportion of hard currency trade in the exports to CEMA countries came to 17 percent, that of imports to 4 percent, in 1983 exports came to \$ 580 million (circa 15 percent), imports to \$ 170 million (circa 4 percent), and the surplus to \$ 410 million (cf. Table I).

That is an important revenue source for western currency in that trade with western industrial countries is at a deficit (1981, \$ 1 billion; 1982, \$ 600 million) and in 1981 and 1982, the surplus in the trade with developing countries came to \$ 260 and 230 million only. This surplus in the CEMA hard currency trade,

reaped principally from the trade with the USSR, made it easier for Hungary to meet its payment obligations to the West in recent years (even though, according to reports, the USSR severely intensified Hungary's liquidity difficulties by withdrawing assets from the Hungarian National Bank). There are several indications that the USSR is not much inclined to settle for Hungary's surplus in the hard currency trade over the long run, but on the other hand, Hungary's hard currency requirement does not permit much of a leeway. A rapid surplus reduction could land Hungary in a payment crisis. The USSR could avoid a hard currency deficit only by curbing its meat and food imports from Hungary. But they are likely to be of greater advantage right now to the USSR, because of the lower costs in shipments and their greater reliability (no danger of an embargo) than buying on the world market. On the whole then, only a slow reduction of Hungary's hard currency surplus in the intra-CEMA trade is to be expected.

#### Polish and Romanian Hard Currency Transactions

In Poland's trade with the CEMA countries hard currency conversion has also begun to be more important in recent years. Hard currency exports rose from \$ 56.8 million (1.2 percent of exports in CEMA) to an estimated \$ 240 million (more than 4 percent) in 1983. The rise in imports from 81 million in 1981 (1.4 percent) to 180 million (2.8 percent) in 1983 was much weaker (cf. Table II).

From the distribution of the hard currency trade among the various CEMA countries, available only for 1981, 1982 and the first half of 1983, one can see that Poland's hard currency trade with different countries is subject to great fluctuations. It may mainly amount to what S. Richter calls ad hoc transactions. In 1981, most of the transactions went to trade with Hungary, whereas two thirds of the transactions in 1982 and the first half of 1983 went to Romania (cf. Table III). [illegible words] while Romania exported meat and other foodstuffs against western currencies to the USSR. Whereas in 1978, nothing was evidently yet exported to the USSR for western currency, between 1979 and 1981, a total of goods at a value of \$ 1,369 million in hard currency conversion was exported to the USSR. For 1982 exports I have no further data.

That compares with imports from the USSR at a total of \$ 1,166 million between 1978 and 1981. Also on the 1982 imports no hard currency trade with the USSR was reported. While the hard currency trade between Romania and the USSR could thus briefly come to 27 percent of the turnover, it retreated to zero again in 1982 (cf. Table IV). In toto, Romania reaped a surplus of \$ 200 million from these transactions.

About the available statistical fragments on [words illegible]

1. The largest transactions in hard currency are found between Hungary and the USSR and Romania and the USSR. In both cases, meat and other foodstuffs came from the one side and oil from the other, likely to be the hardest commodities in CEMA trade relations.
2. Hard currency transactions among the CEMA countries cannot make up for the lacking convertibility of the transferable rubles. Although the transactions converted into dollars have gained in importance since the early 1970's,

these transactions have only a stopgap function. On the one hand, the CEMA countries, because of their hard currency debts, have to increase their hard currency revenue, but then temporary bottlenecks keep arising in various countries for supplies in specific commodities. As two situations of constraint are coinciding, that leads to the compromise of special transactions among the CEMA countries in western currencies. No permanent solution can come out of that.

## Appendix

All three countries reporting on their hard currency trade with CEMA countries have revalued the dollar in their trade statistics and in relation to their domestic currencies in recent years. The other three East European countries (Bulgaria, CSSR and GDR) keep orienting their exchange rates with dollars and transferable rubles to the gold content of the transferable ruble (i.e. the dollar of 1970); the implicitly computed exchange rates of dollars per transferable rubles therefore resemble the notations of the State Bank of the USSR. Hungary revalued the dollar in 1976, Romania in 1981, Poland in 1982. The dollar/transferable ruble rate in Hungary now has a parity of 0.7, in Poland, 0.8, in Romania, 1 (Table V).

These shifts in exchange rates affect of course the proportion of hard currency transactions in the foreign trade of the reporting countries. The tables shown for Hungary and Poland were converted to the new rates. At the old rates, in the case of Hungary the proportion of hard currency transactions in overall trade with the CEMA countries would be much smaller. The proportions shown for Hungary, on the basis of the foreign currency forint, would have to be multiplied, for 1975, with 0.56, in the case of Poland, the 1981 values, with 0.6. Romania, for the years 1978-1982, reported its hard currency trade and its total trade with the USSR in dollars. We assume that in that case as well the exchange rate in force since 1981 was used.

In conclusion we may point out that the same statistical shifts apply also to the proportions for the large regions. In following the new exchange rates, the proportions of the western industrial countries and the developing countries in the overall trade of the three countries Poland, Romania and Hungary are shown to be larger than they used to be. Above and beyond that, the regional distribution of the foreign trade of these three countries is no longer directly comparable to that of the other CEMA countries.

Table I: Hungary's Hard Currency Transactions with CEMA Countries 1976-1981

	1976	77	78	79	80	81	82 <sup>1</sup>	83 <sup>1</sup>
Hard currency exports million \$	341	340.4	295	495.8	664.9	714.5	790.3	580
Share of total exports to CEMA countries in %	12.3	10.4	8.5	11.9	15.2	17.5	17	15
Hard currency imports from CEMA million \$	170.6	195.2	277.5	331.3	155.2	201.8	179.1	170
Share of total imports from CEMA countries in %	6.1	6.1	7.2	7.6	3.6	4.6	4	4
Balance in hard currency trade million \$	170.5	145.3	17.4	164.5	509.7	612.7	611.2	410

<sup>1</sup>Provisional figures

Table II: Poland's Hard Currency Transactions with CEMA Countries 1981-1983

		1981	1982	1983 (estimated)
Hard currency exports to CEMA	million \$	46.8	165.9	240
Share of total exports to CEMA	in %	1.2	3	4.3
Hard currency imports from CEMA	million \$	81.5	139.3	180
Share of total imports from CEMA	in %	1.4	2.3	2.8
Balance in hard currency trade	million \$	-24.7	+26	+60

Table III: Poland's Foreign Trade with CEMA Countries in Convertible Currencies (million \$)

	Export			Import			Balance			Balance Accumulation
	1981	1982	1983	1981	1982	1983	1981	1982	1983	1981-(1-VI) 1983
	I-VI			I-VI			I-VI			
GDR	8.1	6.3	3.8	81.5	17.8	9.8	-10.4	-11.5	-6.0	-27.9
CSSR	2.8	3.3	7.3	8.0	4.0	1.0	-5.2	-0.7	+6.3	+0.4
Hungary	19.1	24.5	21.3	39.6	25.5	17.7	-20.5	-1.0	+3.6	-17.9
Romania	8.5	108.6	81.2	5.9	81.7	83.0	+2.6	+26.9	-1.8	+27.7
Bulgaria	11.0	19.1	3.4	2.0	8.7	2.5	+9.0	+10.4	+0.9	+20.3
Vietnam	-	0	-	-	-	-	-	-	-	-
Cuba	-	-	-	0.01	-	-	-	-	-	-
USSR	6.9	3.6	1.2	7.5	1.6	0.05	-0.6	+2.0	+1.15	+2.55
<b>Total</b>	<b>56.8</b>	<b>165.9</b>	<b>118.3</b>	<b>81.5</b>	<b>139.9</b>	<b>114</b>	<b>-24.7</b>	<b>+26.0</b>	<b>+4.3</b>	<b>+5.6</b>

1 zloty = \$ 0.0117925

Table IV: Romania's Hard Currency Transactions with the USSR 1978-1982

		1978	1979	1980	1981	1982
Hard currency exports to USSR	million \$	-	177	475	717	-
Share in total exports to USSR	in %	0	10.8	22.7	27.3	0
Hard currency imports from USSR	million \$	5	87	370	704	-
Share in total imports from USSR	in %	0.4	5.4	18.5	26.8	0
Balance in hard currency trade	million \$	-5	+90	+105	+13	0

Table V: Implicit Conversion Rate \$/Transfer Ruble in CEMA Proportions

	Implicit \$/Transfer Ruble Ratio in Statistics						\$ per transfer ruble
	Bulgaria	CSSR	GDR	Poland	Romania	Hungary	in USSR
1970	1.1111	1.111	1.112	1.110	1.112	1.111	1.111
1971	1.1111	1.111	1.112	1.110	1.112	1.111	1.111
1972	1.204	1.207	1.207	1.206	1.206	1.206	1.206
1973	1.340	1.369	1.342	1.327	1.328	1.373	1.358
1974	1.340	1.370	1.342	1.336	1.342	1.425	1.321
1975	1.343	1.432	1.342	1.336	1.342	1.522	1.386
1976	1.346	1.387	1.342	1.336	1.342	0.859	1.326
1977	1.371	1.415	1.342	1.336	1.342	0.872	1.357
1978	1.462	1.477	1.342	1.402	1.463	0.877	1.463
1979	1.504	1.506	1.342	1.437	1.492	0.935	1.526
1980	1.515	1.486	1.415	1.454	1.492	0.854	1.541
1981	1.417	1.358	1.407	1.321	1.000	0.779	1.385
1982	1.379	1.317	1.407	0.802	1.000	0.705	1.378

N.B. Computed from official rate notations in any of those countries

#### FOOTNOTES

1. For the history of price formation cf. H. Clement, "Price Setting in Intra-CEMA Trade, a Survey," R. Schoenfeld, ed., "RGW Integration und Suedosteuropa."
2. Cf. J. Bethkenhagen and H. Machowski, "Der Rat fuer gegenseitige Wirtschaftshilfe (RGW)," Wolfenbuettel, 1975, p 54.
3. R. Dietz, "Price Changes in Soviet Trade with CMEA and the Rest of the World since 1975," "Soviet Economy in a Time of Change," Joint Economic Committee, Congress of the United States, October 10, 1979, Washington 1979 (WIIW-Reprint No 44).
4. According to information personally received from H. Machowski.
5. F. Levciik, "Transferable Rouble and Convertibility," "Unites et monnaies de compte, Traveaux du Colloque international, organise par J.-J. Guglielmi et Marie Lavigne, Paris, octobre 1977 Economica, Paris 1978." (WIIW-Reprint No 37).
6. S. Richer, "Hungary's foreign trade with CMEA partners in convertible currency," ACTA OECONOMICA, Vol 25 (3-4), pp 323-336 (1980).
7. The problems in the computation of proportions are briefly discussed in the appendix.

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CSO: 2300/589

HUNGARIAN-USSR MACHINE TOOL PRODUCTION DESCRIBED

Budapest NEPSZABADSAG in Hungarian 28 July 84 p 5

[Text] Machine tool production is one of the key branches in industry which can play a major role in the process of renewing the structure of Hungarian industry. It provides a dual approach: First it can provide a certain background for modernizing technologies in the most diversified areas and at the same time the technical and quality characteristics and the marketability of a large share of products create favorable possibilities for more intensively participating in the international division of labor.

Within machine tool production it is especially important that in the future cooperation and specialized development of machine tools, technical-scientific cooperation, greater export volume of modern domestic machinery, as well as increased shipments of subassemblies, background industry products and controls can obtain a greater prominence while relations between the Soviet and the Hungarian machine industries expand. This mutual demand was brought to notice not long ago at the Moscow conference between the Minister of Industry, Laszlo Kapolyi and the Soviet Minister of the Machine Tool and Machine Industry, B.V. Balmont. Last week the chief of the Soviet industry visited Hungary for a few days of talks and the present discussion continues in this spirit. B.V. Balmont visited a few large enterprises interested in machine tool production and research and development institutes working on controls and control technologies. Before his departure, B.V. Balmont gave a lecture about the current state and future directions of development in the Soviet machine tool industry in the House of Soviet Culture and Science. The lecture was received with interest.

After the lecture we asked the minister about the possibilities for expanding our contacts. First of all we were interested in his opinion about the level of the products and production processes in the Hungarian factories he visited.

[Answer] I have had the opportunity to see machine and machine tool industry enterprises in a number of countries and I am totally convinced that in terms of productivity and technical culture the Hungarian factories I visited were not behind the better firms of the developed capitalist countries. For example, I visited Raba where the technology and the organizations is undoubtedly at a world class level. I received a very favorable impression

of development and the adaptation of licenses at the Csepel Machine Tool Factory. At the Budapest Technical University and the Computer Technology and Automation Research Institute of the Hungarian Academy of Sciences I was introduced to impressive work in the development of control technologies and robotics. We also visited the Factory of the Machine Tool Works in Esztergom. This factory, which is not very large, produces very modern machines, we could use any of their products. We would also buy the FORCON modern cutting tools in great quantity, especially under mutually acceptable conditions.

[Question] What is your opinion about Soviet-Hungarian cooperation in the machine tool industry today?

[Answer] The contacts between industrial branches are developing successfully. In 1983 trade in metal shaping equipment increased 2.4 times in comparison to 1975 and was worth 21 million rubles. In my opinion, however, the possibilities for technical-scientific and economic cooperation and also in cooperative production are not yet exploited sufficiently. The main reason for this situation is that direct contacts between our factories and similar Hungarian factories are weak. Functional means for solving emerging problems are lacking, as is mutual knowledge about the production possibilities of our countries' machine tool industry. Our important goal is to diminish these organizational deficiencies in a short time. To support this goal we have certain conditions at our disposal which were created by the decisions taken by the Central Committee of the Communist Party of the Soviet Union and most recently announced in the closing protocol of the high level CEMA conference.

[Question] How can bilateral shipments be expanded?

[Answer] This year the CEMA countries have started working on the coordination of 1986-1990 national economic plans. From the outlines it is already possible to say that on the basis of preliminary estimates the value of Hungarian machine industry shipments can surpass the present level by 25 percent in the next Five-Year Plan. Just as significant is the estimate in the area of the machine tool industry: here we plan on tripling shipments in comparison with the shipments of the present Five-Year Plan. It is also true that we projected the growth of our machinery exports at 20 percent in which machine tool industry exports are to increase 40 percent. It is in our interest to involve Hungarian industry in solving problems connected with automation, first of all to ensure shipments of machine tools similar to those we still import from capitalist countries. We think it is also possible to organize cooperative efforts in developing flexible manufacturing systems. We perceive cooperation in the production of industrial robots as entirely realistic, for example, in the production of necessary parts like pneumatic motors, cylinders and control platforms. We deem it advisable to organize the manufacture and export of diverse types of complementary products and standard assemblies for the Soviet machine tool industry. At the same time greater activity is necessary to popularize Soviet tools made of synthetic diamonds and superhard materials in Hungarian industry. We also object to that fact, that while we--in accordance with our possibilities--immediately organize service for Soviet machine tool exports, this sometimes does not take place when we receive Hungarian machines.

Deputy Minister of Industry Andras Gabor who supervises machine tool production added: "Last year the Machine Tool Industry Works started breaking through the Soviet market with numerically controlled equipment. Since then they have asked for new bids in order to expand shipments. Concrete interest was shown toward the NC and CNC metal shaping centers of the Csepel Machine Tool Factory. The Soviets would like to use them primarily in the auto industry, agricultural machinery production and in machine tool production. The expected cooperation in the production and applications of robots is also mutually advantageous, but the greatest progress is promised by the shipment of flexible manufacturing equipment. Hungarian enterprises develop--as contractors--for Soviet demand these kind of units together with the basic machine, and they offer cybernetic, measurement and control systems plus organizational and various technical services. From the previous talks it seems that in the next few years Hungarian exports of machine tools to the Soviet Union will be able to greatly expand the dynamics of cooperation in the machine industry.

12642

CSO: 2500/435



CLOSE GDR-USSR COOPERATION IN NONFERROUS METALLURGY

East Berlin PRESSE-INFORMATIONEN in German No 81, 13 Jul 84 p 4

[Article by H. Eberling, department head, Ministry for Ore Mining, Metallurgy and Potash]

[Text] Nonferrous metal products are needed by almost all sectors of the national economy, in particular by electrical engineering and electronics. Microelectronics, for example, require such refined products as carrier strip materials, special bronzes, magnetic substances, fine and finest copper, brass and aluminum wire as well as surface treated plates and strips. It is obvious that the tremendous demand for nonferrous metallurgical products can be met only if available technological processes and procedures are constantly updated and used as efficiently as possible.

In the past the workers in the GDR nonferrous metallurgical industry scored notable successes. Industrial goods production and labor productivity in the Wilhelm Pieck Mansfeld Combine VEB, for instance, rose by 24 percent in 1975-1980, in the Albert Funk Mining and Iron and Steel Combine VEB by 25 percent. A lot of this success was due to close cooperation with partners in other CEMA countries with regard to the introduction of new production technologies. An eloquent witness is offered by the continuous casting of aluminum strip by Soviet plant operating in the Wilhelm Pieck Mansfeld Combine VEB. Our republic was the first in the socialist community to employ this equipment; it permits the manufacture of strips up to 1,600 mm wide. Compared with traditional equipment, it is possible to skip two thirds of the processing stages, reduce materials use by 5.7 percent, manpower by 9.1 percent and electricity consumption by 550 kilowatt hours per ton. The equipment sets a top international standard. It enables the factory for the first time to produce foil from casting strands to international standards.

An equally striking example is the copper wire casting-rolling mill in the Hettstedt Copper-Silver Metallurgical Plant. USSR and GDR metallurgists created the prerequisites for the production of a high-quality copper wire, cast from the cathode for further processing into fine wire and enameled wire with the best possible functional qualities. When the production line went into service, it was possible to skip two processing stages and use 5 percent less copper wire and 5.5 percent less small-gauge wire.

Jointly with specialists from the Hungarian People's Republic and the USSR, our metallurgists are currently reconstructing the alumina factory in the

Lauta Aluminum Works VEB. In addition to a substantial improvement in the material-economic indices, the reconstruction is expected to result in a 30 percent rise in the output of the plant as a whole.

In the first stages of international cooperation, technical aid and the reciprocal exchange of specialists were the main items on the agenda. Now that the combination of our scientific potentials for the settlement of complex problems is emphasized, we are concerned with coordination, cooperation and joint research and development as well as the exchange of completed results on a contractual basis.

One of the most important current economic tasks of the CEMA countries is that of redoubling the efforts for the rational and economical utilization of fuels, raw materials and secondary resources and for deepening the exchange of experiences. This also includes the regular performance comparison between the Wilhelm Pieck Mansfeld Combine and the Bashkir Sibai Copper-Sulfur Combine, the Krivoi Rog Mining Combine and the Budapest CzepeI Iron and Metal Works.

Among the high points of the exchanges of experiences are the "days of friendship smelting," carried on jointly with Soviet metallurgists in factories of the Wilhelm Pieck Mansfeld Combine and the Albert Funk Mining and Metallurgical Combine. Remarkable economic results are being achieved in the course of such friendship smelting, especially with respect to such qualitative indices as metal output, specific raw materials and energy consumption and the extent of utilization time of the metallurgical machine sets.

GDR metallurgy will continue to endeavor meeting its obligations for deepening socialist economic integration, strengthening the socialist community and, consequently, safeguarding international peace.

11698  
CSO: 2300/582

PROBLEMS OF ENVIRONMENTAL POLLUTION DISCUSSED

Prague RUDE PRAVO in Czech 3 Jul 84 p 3

[Article by Academician Bohumir Rosicky: "Prevention is Cheaper"]

[Excerpts] Next to the primary objective of today's world to preserve peace and to prevent nuclear disaster, the ecology crisis is doubtlessly the most important concern of humanity; due to its scope, it is becoming more and more a global problem. Its serious worldwide consequences affect not only the industrialized countries, but the developing ones as well. Most of the countries recognize the necessity to solve the ecology crisis by open dialogue and international cooperation.

The problem of environmental pollution was put on the agenda of the United Nations Economic Commission for Europe (ECE), where the CSSR does participate effectively. An international conference on the protection of the environment was held in Munich just a week ago.

The Standing Commission on Health of the CEMA countries considers as one of its most important objectives Program No 5 on the Hygiene of the Environment. In the CSR, all activity is concentrated at the Institute of Hygiene and Epidemiology of the CSR Ministry of Health. This institute is at the same time a specialized methodological center for the problems of environment in relation to human health.

\* The Standing Working Group on the Environment of the CNR recognized that the systematic concern of our citizens about environmental problems should be highly appreciated and developed. This may lead, however, to the erroneous notion that environmental pollution is a problem specific to the CSSR and does not exist elsewhere. This conception is often abetted by the aggressive campaigns launched against us in certain Western media; they make us seem to be the only ones in Europe who pollute the environment; they pretend, moreover, that we have neither plans nor the desire to prevent further pollution increases, to improve the already damaged environment and to create better conditions. At the same time, though, they are purposely overlooking the general guidelines on the environment adopted by the 16th Congress of the CPCZ and elaborated by government decrees. They also refuse to see all the enormous activity of our citizens organized by the national committees and the National Front. Indeed, each congress of the National Front organizations made important pledges to care for the environment.

The ECE discussions clearly demonstrated that Czechoslovakia--as it is often accused of--is by far not the most serious sulphur dioxide and acid rains pollutor. But the public in the capitalist countries prefers to believe its own sources; let me quote, for example, the well-known magazine STERN:

STERN (Vol 37, No 18 pp 202-205, 1984) published an article signed by Sebastian Knauer. Using the Federal Republic of Germany as an example, the author referred to, among others, the long-distance pollutors in Europe. He stated that the CSSR emits yearly 58,000 tons of sulphur dioxide into the FRG, while we are getting twice as much from the FRG--altogether 130,000 tons, predominantly in Bohemia. The same source stated that France emits yearly to the FRG 130,000 tons, Great Britain 80,000, Belgium 44,000 and the German Democratic Republic 142,000 tons. With the west winds predominating over the east ones in an eight to two ratio, the fallout of sulphur dioxide from the FRG to the GDR is 102,000 tons, to Poland 96,000 tons a year.

The electrical works powered by lignite, now under construction in the FRG in Bushchhaus near Helmsted close to the GDR border, is expected to emit 150,000 tons of sulphur dioxide a year into the atmosphere.

The emissions of sulphur dioxide are endangering forest areas in the FRG, where, as various sources emphasize, one third of the forests is dying off, and this is getting steadily worse.

The Austrian daily DIE PRESSE reported on 5 June 1984 on the forest damage in the Krusne Hory (Erzgebirge) region. I quote verbatim: "The factories in the vicinity (meaning plants in western Bohemia) are less guilty than the polluting elements from the Ruhr, 500 km away. That much had already been proven." Such an objective statement is in contrast with the frequent, undocumented reflections of certain West German newspapers, which "conjectured" that nature on the FRG's border areas is endangered solely by the Czechoslovakian industrial plants in western Bohemia.

At a press conference organized on 14 June 1984 by the Austrian "Society for the Protection of Nature and the Environment," it has been announced that the area of dying forests in Austria--predominantly in the Alpine regions, Tyrol and Vorarlberg--has already expanded to 300,000-350,000 hectares. Direct forest damage caused by fallout from the atmosphere are estimated at 1.3 billion Shillings a year! (VOLKSTIMME, 16 June 1984)

The several specific figures I have just cited from foreign sources are adequate proof for everybody. We are not hiding from anybody the fact that the protection and creation of the environment in our country and elsewhere is a serious and very costly problem indeed.

Our Standing Working Group recently discussed environmental problems with the SPD deputies to the Bavarian Land Parliament, lead by Mr H. Rothenmund. This persuaded us that in Bavaria and the entire FRG they are faced with the same ecological problems as we are. Their views on the ecology crisis in Europe resemble ours.

Our socialist country, however, has one great advantage: we are able to solve such problems systematically in our planned economy. Our electorate, our governments and national committees are united on the questions of preservation of peace and environmental protection.

To improve the purity of the atmosphere, we are planning to change to nuclear energy plants and to construct desulphurization facilities. We are undertaking extensive recultivation to improve the state of damaged forests; we are lowering the soil acidity by extensive liming. And, by the way, is it at all known that our forestry enterprises prepare around 220 million new, more resistant silvicultural plants each year? All this helps to preserve our forests, and thus their significance for recreation and health.

No other country can boast such extensive recovery measures as we are undertaking in the exposed regions, especially for children.

The compensatory, i.e., recovery measures have to be understood as only one of the possible ensuring provisions, which cannot substitute for the essential technical investments.

In the North Bohemia Kraj, for instance, mid-morning snacks enriched with vitamin C are served to 98,000 school children. "Schools in nature," away from the region, are organized for grade school and older kindergarten children. Last year 135,000 children from northern Bohemia were placed in such schools. The national committees organize short-term recreation sojourns, called "outing," to a healthful climate. The Ministry of Health of the CSR extended the lists indicating available free-of-charge spa treatments, improved recreational facilities, etc. Within the framework of the multiple recovery measures in Prague, 12,500 kindergarten and primary school children attended the "schools in nature" in 1980. In 1983, almost 70,000 Prague children participated.

Our country's policy on the care of living and working conditions is based on the principle that it is the producer who is fully responsible for hygienically impeccable products, for the safety of working conditions and for the absence of environmental pollution. The consequences of pollution and other deterioration of the environment should also be solved and removed by those who have caused them. The Standing Working Group of the CNR Presidium has experienced many times how difficult a task it is, on all levels.

We have not yet learned to think in adequately economical terms: what is beneficial for the economy has to be good for living and working conditions as well, and vice versa.

Past experience shows unequivocally that prevention is always cheaper than the very costly corrective measures.

The present objectives of the hygiene services are constantly increasing as a consequence of the important expansion of our national economy and its reflection on the environment. The research conducted by the CNR deputies revealed that in order to fulfill all their obligations, it is necessary that the okres and kraj hygiene stations be reinforced with specialized personnel and the hygiene station network build-up be completed in a manner previously approved in the krajs.

Despite the already accomplished great political and persuasive efforts, we still encounter today certain economic organizations, and sometimes even functionaries of the national committees, who underestimate the correct decisions of the hygiene services. These decisions are considered as almost an obstacle to the economic expansion actions planned by the economic organizations. They keep forgetting that the hygiene services are an integral part of their own power apparatus and that according to the legislation on people's health as well as on national committees, the hygiene services are preserving the health of the population and, consequently, also their own.

One cannot indeed conceive of the objectives of the hygiene services and of the entire public health system as simply to correct damage, the prevention of which is a duty imposed by our laws on other enterprises and institutions, as well as on every citizen.

Neither should we succumb to the illusion that the hygiene science and services shall, by some subsequent measures--I would even say miracles--cleanse the polluted atmosphere, water or soil wherever all the essential prevention had been neglected.

We are therefore justified in expecting that the scientific research base of the CSSR shall, in the framework of its objectives, effectively contribute to the equipment of the health services by modern instrumental technology, capable of assuring a minimum of harmful substances.

Our party and government have often emphasized that environmental protection has to be planned, systematic and comprehensive. Our constituents are well aware that problems accumulated over decades, in some places even from the very start of the industrialization of our country in the 19th century, cannot be solved in one or two 5-Year Plans. However, they do not intend to settle for an approach lacking initiative and showing dilatoriness toward the polluters. And that is exactly where the hygiene services have to play their controlling and irreplaceable role in our country's struggle to prevent illness and to create a healthful living and working environment for the man of the socialist era.

12707  
CSO: 2400/361

SOME GAPS NOT MENTIONED IN SEMIANNUAL ECONOMIC REPORT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Jul 84 p 2

["GDR Proclaims Further Improvement"]

[Text] The report of the State Central Administration for Statistics of the GDR, which has punctually been published at mid-year, speaks of "another significant upswing of the GDR domestic economy" during the first six months of 1984. The report, which contains a wealth of statistics and details--ranging from the number of Olympic medals the GDR has won to the production of hot-water tanks and leather sports shoes--, is aimed at demonstrating to the GDR population and to the outside world that, shortly before the 35th anniversary of the GDR, everything in the economy is basically at its best. The statisticians are sticking to their well-proven practice of making the figures largely incomparable and of hiding important facts entirely or camouflaging them. Nonetheless, the GDR domestic economy should now be in a phase in which it is showing success in its efforts to achieve larger economies in the use of raw materials, energy and to increase productivity, in which housing construction has consistently been in high gear and in which exports expanded and a positive trade balance has been accomplished.

But it is evident that the GDR is unable to carry out with the necessary speed its urgent efforts to modernize the domestic economy. Investments that could not be made during the critical years 1982 and 1983 as planned, stayed at M24 billion during the first six months of 1984, that is the level during the same period last year. Furthermore, the reported percentage increases in industry and labor productivity continue to be significantly higher than the reported increases in retail sales or net money receipts. Unadulterated statistics on price trends are hardly ever published by the GDR.

Neither reflect the figures the fact that supplies for the population, such as fresh fruit or fresh vegetable, are as irregular and meager as ever and that the regional differences, e.g., vis-a-vis Berlin, are considerable. While they were able to speak in previous years of "positive birth trends", such a reference is missing this year: The number of births has continued to decline during the first six months of 1984 to 116,015, compared with 119,218 last year; during the first six months of 1980, almost 125,000 children were born, and in 1981 the figure was 121,000.

The "produced domestic income"--the figure that is used to report total economic growth--rose by 5.1 percent during the first six months compared to a 4 percent growth rate during the same period last year. The GDR statisticians estimate that labor productivity in industry grew 7.2 percent. Of the 132 centrally managed industrial combines, they say, 120 met or exceeded their state production goals. The report points out that, as required, the combines have made available more consumer products, such as household freezers (42 percent increase), but these goods continue to be "products in short supply." It was also possible to utilize the modern machines each day for a longer period of time than last year, partly by adding new shifts.

The change from heating oil to domestic energy resources, to raw lignite or the environmentally harmful lignite-burning dust, has continued. The share of raw lignite in the GDR's primary energy consumption rose to about 72 percent. The report refers only in very general terms to "planned measures" to keep the air and water clean.

Agriculture seems to have come through the winter better than expected, according to the state central office. Animal production, in particular, has gone up slightly. The report talks about the positive effects on agricultural products of the price reform that went into effect on January 1.

It remains hard to beat the dearth of the published foreign trade data. Reportedly, foreign trade, i.e., exports and imports combined, expanded by 10 percent, compared with 12 percent during the same period last year. The report says that a "positive balance of trade" has been achieved. The trade balance with non-socialist countries as well is showing an export surplus. GDR exports to the socialist countries rose by 14 percent; exports to the USSR by even 18 percent. What caused these increases, whether price rises or larger shipments, is unknown.

7821  
CSO: 2300/569



CONSCIENTIOUS APPLICATION OF ANTI-CORROSION MEASURES URGED

East Berlin PRESSE-INFORMATIONEN in German No 81, 13 Jul 84 pp 56

[Article by L. Deike, Ministry for Materials Management: "Effective Corrosion Prevention Increases National Income"]

[Text] Collectives in all sectors of the national economy compete for ensuring continued output growth accompanied by declining and--in absolute terms--even reduced materials consumption. This endeavor includes the increasingly satisfactory utilization of production plants and equipment as well as safeguards for their stable operational capacity. In this context growing importance must be assigned anti-corrosion efforts, serving to prevent the chemical or electro-chemical destruction of metals in particular. Without the appropriate preventative measures, for example, 100,000-150,000 tons steel would annually fall victim to rust in the GDR. This tonnage corresponds to the annual materials need of rail vehicle construction.

Efficient anti-corrosion measures are decisive for the quality, reliability and durability of many products. Accordingly corrosion-resistant and corrosion-protected substances, anti-corrosives and appropriate devices worth more than M3 billion are annually made available in the GDR. For this substantial amount of money to be used with the greatest possible efficiency, anti-corrosion officers are being employed especially by combines, the products or plants of which are exposed to a great deal of corrosion, for example light metal construction, rail and road vehicle construction, shipbuilding, chemical and power plant construction or the combines of the chemical industry, energy production, agricultural equipment construction, water supply and transportation.

About 25 percent of all damage caused by corrosion are preventable if scientific and technological knowledge is properly applied. It is therefore imperative for the required anti-corrosion measures to be provided for at the time the tasking workbooks are prepared for product development and planned investment projects. One of the duties of the anti-corrosion officer is cooperation in the target assignments in this field and supervision of their observance.

Combine and enterprise efforts with respect to corrosion prevention are assisted mainly by the Central Office for Corrosion Protection in Dresden

and other scientific facilities, such as the Construction Academy and various colleges. Available in these institutions are the latest domestic and foreign research results, and advice may be obtained on basic problems and rational solutions. It is equally important for practicing specialists to familiarize themselves with the latest findings by postgraduate "corrosion-anti-corrosion" studies at Dresden Technical University or by attending the many further education events organized by the Chamber of Technology. The correct selection and appropriate use of substances and anti-corrosives is another management task in combines and enterprises, in particular of the anti-corrosion officer. Improper storage and processing of coated plates and pipes (to cite just one example) nullify the efforts of processing metallurgy for the increased availability of corrosion-resistant semifinished goods, and the protective effect of valuable preservatives is reduced by 50 percent and more if applied on dirty surface.

For the majority of products national anti-corrosion costs are lowest if the efficacy of the primary protection (the responsibility of the manufacturer) is fully maintained for the entire product life. The manufacturer is also responsible for coordinating repeat anti-corrosion measures with the users. That applies in particular to the planned maintenance of production plant which, for economic reasons, are used longer than the duration of the efficacy of the original protective measures. The user, for his part, must consistently carry out the servicing, maintenance measures and checks prescribed by the manufacturer. Examples are steam generators and chemical plant or the conservation of agricultural equipment. In every case close cooperation between manufacturer and user is required to achieve effective and economical corrosion protection.

Combines such as Progress Agricultural Machines, Automobile IFA Combine, the Black Pump Gas Combine, the Walter Ulbricht LEUNA Works and Buna Chemical Works are the trend setters for the skilled management of anti-corrosion measures and, consequently, for the conscientious work of the anti-corrosion officers. It is now imperative even more quickly to transfer their experiences and proven methods to all combines, because every reduction in the cost of damage is a direct contribution to the growth of the national income.

11698  
CSO: 2300/583

COURSE OF FOREIGN TRADE ACTIVITY DISCUSSED

Budapest MAGYAR HIRLAP in Hungarian 23 Jun 84 p 5

[Article by Istvan Matko: "Foreign Trade"]

[Text] In these days the subject of foreign trade is still under discussion. This is understandable since this sector that some time ago had been shrouded in mystic untouchability plays a significant part in shaping the fate of the country. Today there is neither untouchability nor mysticism, indeed the statement in our first line verifies it. The more so does the fact that the summer session of the parliament placed on the agenda the discussion of the experiences gained in the course of the foreign trade act implementation.

Before reverting to the interesting summary let us say a few words about the discussion itself. Our mandatory daily exercise is to make critical analysis of the export-import balance and when we unfortunately discover conflicts in the final outcome of this balance, the foreign trade organization and its enterprises incur a lot of criticism. In other words, improved exporting results--extending the export of important goods to markets with convertible foreign exchange for example--fall through because of inflexibility, bureaucracy, incompetence, etc. Foreign trade based on the wrong interpretation of state monopolies does not meet the present day requirements, and the time has come to have it democratized, decentralized. In another case again the subject matter of the grievance is that the exporter--anxious to protect his privileged position--doesn't allow the producer to play his hand in the foreign market; the latter then becomes isolated, doesn't know what to offer, what to do.

The critique overlooks these cases from time to time. It is hardly accidental that the judgement and the representation of the morals of foreign trade representatives is well in excess of the proportion of actual violations of the laws. There is no end to the writings about suspicious, corrupt foreign traders in which the trade emissary whose only interest is in the kind of automobile that he could bring home bought on the masterly savings of foreign exchange, by and by becomes a banality. It would be and also should be futile to deny this since one can find this type. However if the field consisted only of such people and they would be the common figures how could we maintain our solvency today? Should foreign trade activity irrespective of low and high assignments not be guided by the interest of the people's economy and the public, how would we be capable of staying on our feet in the worldwide economic tempest, in the depression, in the midst of frequently humiliating discriminations? How and who contracted for the good deals? These are also actual facts.

We could enumerate at length the ramifications of this theme for example the dialogues between agriculture, food producers and specialized foreign trade enterprises. For these, however we do not have the space nor the means. The essence of the argument is that the dialogue was started following the introduction of the further developments for the system of economic management and they are still continuing. Should we remove the senseless extremes, we could contribute to the more precise evaluation of the position, to the elaboration of the possible directions of development, but only when we properly define the concepts, the categories, and the particular spheres of action, and continue the dialogue exclusively in the interest of improving international performance.

That is why the report given by Peter Veress to the summer session of the parliament on the implementation of the law on foreign trade was valuable and necessary. One can say that it summed up and evaluated the current situation and it provided starting points for the further efforts and provided convincing arguments in this particular debate. (It was done by the minister without any intention of interfering.)

Indeed, what did emerge? First of all what is of utmost importance: By keeping a firm hand on foreign trade Hungary is surely adaptive soberly to the international clash of economic forces. Even in so-called free market countries there is a trend indicating a rapid strengthening towards central planning, the influence of foreign trade, determination by the state of proportions, directions and priorities of international commerce. The law that was signed ten years ago was proven in these aspects to be farsighted to provide a durable framework.

And it is durable also for the reason that it channels flexibly the state monopoly of foreign trade by declaring that in accordance with this law it is the state that creates the policy conditions for our international trade, establishes the organization of the system needed for its operation, respectively directs and controls such activities.

From all of the above it is evident that there is no privileged monopoly leased out to enterprises, there is no rigid limitation concerning the casting of such activities. In the meantime, it should also be recognized that one cannot pursue foreign trading activities without survey, continuous control and--there is no better term for it--keeping a firm hand on things. Because in originating the national income of our country a decisive role is given to our adherence to proceeding according to an important sequence and proportions in the international exchange. We are present virtually in every market of the world, and this presence has to be organized, has to be surveyed, it cannot be entrusted to automatic forces.

Strict centralization? Nothing of the sort, but just the practice of the last ten years--especially of those years following 1980--has demonstrated that each and every producer can exercise if need be the right for participation. Today, we have 217 foreign trading enterprises, 80 percent of which are producers or users. Also participation in competitions prevails, the minister referred to it in his speech. Presently, the producer may select from among 13 machine industry export enterprises, provided that it wants to sell in countries with convertible

currency. It is quite another matter but not an added entry that this organizational modification progress did not bring about a decisive turn just in the group of machinery export to capitalist countries. (The same could be said about quite a few producer enterprises although they have the right to export directly.) It is indisputable, however, that in certain isolated areas the new solution scored great successes. It happened that some Hungarian products which hitherto the export specialist company wouldn't even look at were sold abroad at a good price. Thus, the experiences are inconsistent, they call for analysis and careful examination.

The question is, what direction would be worthwhile to take for Hungarian foreign trade?

The answer could be summarized this way: activities producing saleable goods are to be unified, and this applies to both production and marketing. Consequently, it is thus expedient to bring the division of labor into a close relation with interests so that they would depend on each other and would coexist. In accordance with the ideas raised this week, there is a need for regulations that would eliminate the confrontations and promote a situation in which the enterprises, producers and foreign traders alike would organize their business connections and cooperative agreements by themselves on the road to entrepreneurial selfinterest.

There is a subject which was mentioned less even in the parliament. Let us add it to the subject at hand. This is that in the field of foreign trade a new generation has grown up that is willing to make sacrifices, that is performing its complicated vocation in responsible ways, that frequently demand personal risk and this is not meant figuratively. The young generation finds it thought-provoking to question the cause of embarking on a choice of career that frequently involves assignments that involve enormous demands for intensive performance which taxes one's health? This assertion is not a poetical overstatement. Even in the sphere of foreign trade, we lately have to cope with problems in finding new people.

Indeed, is it worthwhile to make the choice? Those who consider the one point that the Hungarian economy cannot exist without developing and increasing its international and foreign trade connections, will come up with the right answer.

12520  
CSO: 2500/433

TECHNOLOGICAL GAP, ECONOMIC STRUCTURAL CHANGES ASSESSED

Warsaw GOSPODARKA PLANOWA in Polish No 4, Apr 84 pp 157-161

[Article by Wieslaw Grudzewski: "An Assessment of the Technological Gap and Structural Changes in the Economy"]

[Text] 1. Technological Progress as a Major Factor in Socioeconomic Development in the Present Day

Worldwide technological progress is determined, on the one hand, by social and economic needs and requirements and the conditions of human existence and by the ideas taking shape in the field of science and technology on the other. After World War II, and especially during the last 15 years, in highly industrialized countries there has occurred the rapid development of technical and technological progress. This has had a vital impact on changes in the production structure of many industrial subsectors.

Observation and analysis of the directions of world economic development show that skillfully formulated and implemented scientific and technical policy has played an active role in this task.

The governments of highly industrialized countries have prepared the assumptions of scientific, technological and industrial policy. The consistent implementation of this policy has led to the rapid bringing into production and constant improvement of many modern products and technologies. In the past as now, these achievements have had a decisive impact on the development of the world market, in such areas as the production of high-quality products in such industries as electronics, the airlines industry, industrial robotics, the nuclear power industry, plastics and synthetic fibers, pesticides, pharmaceuticals, electronic materials and the like.

Some of the goals of innovative government policy have been:

- to attain scientific and military superiority in the world,
- to increase the competitiveness of native enterprises in international trade,
- to create modern technologies that are highly effective,
- to seek new sources of raw materials and to use them effectively,
- to develop new materials of high quality, including such features as durability, flexibility, reliability and the like,
- to eliminate dangers to the ecology.

The instruments of this policy were:

- central budgetary subsidies earmarked to finance research and development programs in the organizational unit [plant and equipment] and product [goods and services] structure for various centers or organizations engaged in applied and developmental studies as well as implementation. Often government orders impacted upon study units;
- tax relief, guaranteed credit, protective tariffs and the setting of strict qualitative requirements in the form of state standards permitting the given product or article to be used;
- stipends and subsidies directing the educational system along the proper course;
- the active work of consumer associations;
- the upholding of the development of information systems that render services to scientific and industrial organizations as well as individual creators.

Technological progress, and particularly its industrial dissemination, has created a base for structural changes in the world economy. During the recent period, such directions of technological progress as microelectronics, the development of manipulators and industrial robots and the widespread use of computerization and the like have had important significance. At present, considerable superiority in the development and implementation of modern solutions in the area of technical progress is noted in such countries as the United States and Japan, as compared with highly industrialized European countries. In Western Europe there is the belief that increased outlays geared towards research and development will enable the intensity of innovation in implementation and dissemination achieved in Europe to match the results attained in this area by the United States and Japan. For the present, however, this belief has not been confirmed in practice or statistically.

The level of engineering and technology that characterizes the Polish economy differs widely and requires, especially at the present time (after 3 years of total standstill) both the undertaking of activities to inspire the creation of programs in the field of applied research that would correspond to the socioeconomic goals adopted in plans and the use of suitable incentives for implementing and disseminating solutions enabling the production of modern, competitive products in foreign trade marked by high quality of type and technological execution. In our industry, where quantity is the all-important criterion for making judgments, quality is relegated to the status of a poor relation, scarcely tolerated by management and continually disregarded.

## 2. The Technical and Technological Gap and Proposals for Measuring it

The concept of the technical and technological gap is used to assess and analyze the level of engineering and technology as the world undergoes rapid modernization.

The technical and technological gap is the relatively constant difference between the level of technological potentials, i.e., the resources geared toward producing technological knowledge that are present in the particular national economies. It would be more appropriate to define the technical and technological gap as the difference in the level of creation of products and of the methods for producing them, representing a level below that of the leading countries in

terms of utilitarian value and efficiency measured as expenditures of production elements per unit of those elements needed to complete production. Thus, the technical and technological gap represents the difference between the highest state of development of engineering and technology in the fields of the economy subject to analysis worldwide and the level achieved in these spheres by the various economic organizations of a specific country.

An assessment of the technical gap may be implemented using the example of leading products and technologies, i.e., those that are of decisive importance for a given subbranch and subsector or industry, or using the example of the volumes characteristic of this sphere measured technologically and economically. These volumes normally represent innovativeness, durability, reliability, functionality and social, economic and technical efficiency both in the area of investments and utilization.

It is difficult to define the technical and technological gap, since there are no precise methods or well-suited yardsticks for estimating it, and the very concept of comparison with the optimal or leading situation is imprecise.

For practical purposes, many available yardsticks of the technical and technological gap may be used, such as:

- estimating the delay measured in years by comparison with the production of products and the application of technologies recognized as the most modern from a technical and economic viewpoint (in consideration of sale potential and high profits made by producers);
- defining the level of general utilization of such items as new materials, subassemblies, products and technologies;
- defining differences in parameters obtained with regard to materials-intensiveness, energy-intensiveness, labor-intensiveness and capital-intensiveness;
- defining the level of knowledge absorbed into technical and organizational solutions valued throughout the world;
- defining the level of mechanization, automation, electronics applications and computerization of production and services processes;
- estimating quality, i.e., reliability, durability, utility and functionality for parts, elements, subassemblies, finished products and technological services used in production;
- estimating the effectiveness of applied production, utilization and services processes.

These proposed yardsticks allow us to approximate the state of the technical and technological gap for products produced in our economy and for the technologies therein applied.

Measurement of the extent of the technical and technological gap ought to yield an answer to the following questions:

- what is the state of development of the progressive directions of science and technology in our economy?
- which technological and industrial fields ought to be revamped and which should be modernized?
- which technological and industrial fields ought to be cut back or eliminated?
- what sort of potential of their own do particular industrial subbranches and subsectors have available for improving applied technologies and manufactured products?



--what sort of systems-type solutions adopted within the framework of the economic reform would stimulate more rapidly and more broadly the application of modern technical and technological solutions?

--what sort of organizational solutions are needed to enable us to follow continually the presence of the technical and technological gap, so that we may set up favorable circumstances for eliminating and narrowing it?

--with regard to the needs of programs aimed at checking or restricting the progressing obsolescence of our production apparatus, how should we organize and utilize the transfer of technological know-how from highly developed countries and guarantee the proper access to information about the scientific-technical progress realized in these countries?

--what is the level of basic research embarked upon in Poland and applied based on worldwide achievements in this area and what impact does it have on progress in the development, implementation and dissemination of modern technical and technological solutions?

--what is the real contribution of our scientific-technical base in the development of technical and technological solutions?

An estimate of the technical and technological gap ought to be the point of departure for preparing a multiyear program for restructuring the national economy and for specifying guiding long-range tasks for guaranteeing well-chosen study programs.

### 3. An Assessment of the Technical and Technological Gap in Selected Industrial Subbranches

The technical and technological gap in the various fields and spheres of our economy compared with the greatest achievements of highly industrialized countries continues to broaden. The results in recent years have been disastrous in this regard. The low-level competitiveness of our products has worsened considerably.

There are subbranches in our economy, however, that surpass the average European, and even the world level. These include hard and brown coal mining, the electrical power industry (in the phase that encompasses power production) and the shipping industry, even though these industries manifest certain unfavorable phenomena and differences by comparison with the industries of highly developed countries. And so, whereas hard coal mining uses modern mining techniques, it is inferior in the field of extracting resources. Nearly half of our underground resources are located in narrow seams of up to 1.5 meters, but the share of these seams in mining is less than 12 percent. We have modern electrical power plants, but the equipment in many of them has been in operation for 30 years. Our transmission network is 88.2 percent efficient compared with a worldwide efficiency of 92 percent. Our ships represent a high level of design that corresponds to results achieved in the foremost shipyards of the world, but we lag behind them in automating services.

In the other subbranches, the situation is somewhat worse. For example, it is estimated that the shortage of readily machinable steel causes losses in the national economy (a 20-percent decline in the production capacity of machine tools and a growth of consumption in rapid tool steel of approximately 15 percent).

The level of utilization of agglomerated products is low; meanwhile, 1 ton of agglomerates replaces 1 ton of rolled products. Their per capita consumption in Poland is one-third that of the USSR and one-eighth that of the FRG.

The development and application of microelectronics in industry determines the updatedness of many subbranches, the competitiveness of their products and the effectiveness of their production processes. Our lagging behind in this field is demonstrated by the per capita index of the utilization of semi-conductors in industry (1.1 dol.[expansion unavailable] in Poland and 39 dol. in the United States). In Poland, electronics generates 0.9 percent of the national income, while it generates more than 4 percent in highly industrialized countries.

Another area of analysis of the technical and technological gap is an analysis of the differences in the parameters obtained for labor-intensiveness, materials-intensiveness and energy-intensiveness in the national income. Thus, the energy-intensiveness of our national income is 1,290 kg (per 1,000 units), while it is 634 in Austria and 576 in France. Consequently, the energy-intensiveness of the national income in highly industrialized countries is nearly one-half that of Poland. One reason for this is the fact that 1,600 units of contract fuel are used to burn 1 kg of cement clinker in Poland, while this index worldwide ranges from 800 to 1,000 units, or nearly half as much. Inefficient systems of housing construction have caused thousands of tons of coal to be wasted in our homes for years. The heat penetration factor in Poland is 2.6, while it is 1.7 in the Scandinavian countries. This same factor for wall penetration is 1.0 in Poland, while it is 0.4 in the FRG and 0.3 in Sweden.

In housing construction, the index of labor-intensiveness per square meter is 22 hours, while in the FRG it is 10 hours and in Denmark it is 8 hours. In spite of the fact that 70 percent of all new dwellings are multiblock buildings and only 30 percent are single units, these proportions are reversed in comparable countries. If industrial production increases, transportation once again may become the bottleneck of our economy.

Currently, the transport structure is changing throughout the world. For example, inland navigation is playing an increasingly important role. In Poland, less than 1.3 percent of cargoes are transported by ship, while this figure in the FRG is 19.7 percent (26.4 percent is transported by rail in the FRG and 75 percent is moved by rail in Poland). Only 67 percent of our rail transport takes place via electrified lines, while this figure for highly industrialized countries is about 90 percent.

The state of track repair systems is very important for the use of railways. The index of mechanization for railroad maintenance work, measured in terms of the force of equipment per 1 km of track, is 4.2 kW/km and is the lowest in Europe. In Western Europe it is from 7 to 8 kW/km.

The state of roads in Poland is also poor. Per square kilometer of area we use 2.8 tons of asphalt, while in the FRG 19.3 tons are used.

Likewise Polish agriculture lags far behind the agriculture of highly developed countries. For example, in 1980, the average yield of wheat per hectare in Poland was 26 quintals, while it was 43.9 in the GDR and 50.6 in Denmark. The level of mechanization of farming is shown by the number of those employed for every 100 hectares of arable land. In Poland, this figure is about 28 persons, in Great Britain and France it is from 4 to 6 persons, and in the RFG, Holland and Austria it is from 12 to 15 persons.

Solutions used to protect the environment also determine technical progress. In Poland, from 12 percent to 18 percent of the value of investment outlays is used for this purpose, while this figure is about 40 percent in Western countries. The result is that only about 15 percent of our waste is properly treated, while 70 percent is properly treated in highly industrialized countries.

These few bits and pieces of data afford only a preliminary idea of the real extent of the technical and technological gap that has arisen in our economy.

#### 4. Conclusions and Proposals

The gap is particularly serious in some subbranches of the electronics industry and in the chemical industry. The industries of the means of production and electrical engineering and the automobile and airlines industries leave much to be desired.

The refining industry, the chemical fertilizers industry, the pesticides industry, the chemical fibers industry and the rubber industry will have to be thoroughly modernized. In order to meet the needs of the national economy in the area of Polish metallurgical products, considerable outlays will be needed over the next 5 years. Construction will also require considerable modernization efforts both in materials procurement and in the application of modern technological systems. Vast disproportions are present in the communications industry. There is serious concern regarding the potential for meeting the demands of goods transit from east to west, from north to south and vice versa, as well as regarding the needs of passenger transport, both within Poland and internationally via various transport systems. Polish agriculture is at least a dozen years behind the agriculture of highly developed countries. This is expressed above all in the number of those employed per 100 hectares of arable land, in the efficient use of land and in the occurrence of losses in transport, storage and processing of farm raw materials. Losses in all these phases from harvesting to processing are estimated at 30 percent of all farm production. However, with the currently available technologies, only 15 to 20 percent of this can be recovered. Likewise, the development of industry that is related to environmental protection will require basic modernization activities and endeavors.

A major cause of the technical and technological gap is the underdevelopment of the domestic materials base, the lack of access to modern subassemblies, equipment and technological apparatus. This particularly concerns:

- the minimal share of plastics with high technological parameters in the production structure;
- limited access to high quality and alloy steel and products of the metallurgical processing industry characterized by a high class of qualitative parameters;

- the almost total lack of high-pressure hydraulics equipment and systems of pneumatic elements with applications in mechanizing and automating processes;
- the shortage of precision machine parts, including: bearings, gears, electrical motors, fasteners and the like;
- the low level of insulating power of insulating materials used in extremely high temperatures;
- the very low quality of domestic paints, lacquers and cover enamels;
- the insufficient development of production of elements, manipulators and industrial robots used for the comprehensive mechanization and automation of production processes;
- the low level of design systems for preparing production engineering and of systems for disseminating computer solutions for these purposes.

Despite the unquestionable thematic limitations, an assessment and analysis of the technical and technological gap represents a strong alarm signal and demands the drawing of conclusions for scientific, technical and industrial policy. These signals are especially important for the programming of structural changes.

For many years, technical progress worldwide has been the subject of deep and constant governmental interest. Highly industrialized countries are undertaking systematic efforts to develop a rational scientific and technical policy that would enable them to increase the competitiveness of their own economies through the production of products with a high degree of quality and modernity and through the production application of labor-, materials- and energy-conserving technologies in relation to the economies of other countries. This work is aided by large subsidies from the central budgets of these states.

Despite the last decade's unquestionable increase in the development and utilization of technical progress in the leading industrial subsectors, a ministerially narrow developmental policy has led to backwardness in the structure and technical level of production, mainly in such decisive elements as materials management in the national economy (metallurgy, chemicals and construction). The extremely high investment outlays have been used in these industries for the most part to create often excessive potential in the area of simple and little-processed items and products, depriving the processing industries of higher class procurement materials and products that are needed to meet the needs of technical progress that has been realized. This has become a basic cause of the high imports-intensiveness of production, including production under license in particular, and has led to a considerable dependence in procurement on highly developed capitalist countries. This situation was drastically exacerbated by decisions made from 1979 to 1981 calling a halt to many investments that were to eliminate dependence upon this type of import. At the same time we must point out that for several years, there has been a complete cessation of the influx of scientific-technical solutions from other countries and a decline of the influx of information and data on the subject of world scientific-technical solutions and achievements into our scientific-research base and scientific centers.

The necessity to limit the level of investment in the national economy has meant considerable cuts in the means and forms of financing applications of the results of research and development work, and the economic reform has still not created effective mechanisms in this area. The limited role of ministries and the lack

of subbranch representation have weakened severely all forms of the programming of the technical development of the subbranches and subsectors of industry as well as the coordination of research-developmental work. In only a few cases has it become possible to effectively program and conduct this type of activity at the enterprise level as well. It is particularly indispensable that we create higher forms of organization that program and direct technical progress effectively especially in so-called research-intensive subbranches that determine technical progress throughout the national economy.

Preferences in the area of credits, the income tax, wages and in ensuring subsidies to finance research-developmental work and to implement this work should be subject to efforts made leading to structural changes in the national economy, and in industry in particular. In the main, these efforts should concern:

- the production development of modern materials and electronic subassemblies, microprocessors, means of computerization and telecommunications and of the electronic operation of drives;
- the development of the technically and economically justified mechanization and automation of heavy and dangerous work, especially in the area of mining work, hot processes, intraplant and rail transport, the wide-scale automation of continuous processes in the chemicals, power and metallurgical industries and the gradual flexible automation of noncontinuous processes in the processing industries through the use of numerically controlled machinery and equipment and industrial robots;
- the initiation of the development of biotechnology and genetics engineering in the area of the production of medicines, improved plant varieties and species and livestock varieties and species, the assimilation of nitrogen from the atmosphere for soil cultivation, new methods of food preservation, sewage treatment and the elimination of waste as well as the procurement of precious metals;
- the development of the nuclear power industry and the comprehensive utilization of radioactive materials and technologies;
- the development of the enriched metallurgical processing of pipes and of the production structures of cold rolled sheet metal as well as an increase in the production of quality and alloy steel, as well as a general increase in the quality of manufactured steel and metallurgical products;
- the production development of modern plastics and rubbers, protective covering materials and techniques, electrical and thermal insulating materials and lubricating materials, plant pesticides and nutritive substances;
- the attainment of progress in fuel and energy conservation;
- an increase in the utilization of domestic mineral raw materials and waste and accompanying raw materials.

A broad program of research and applications work in the field of engineering and technology demands the use of genuine incentives for properly guiding applied and developmental studies implemented by research teams and individual researchers. A system of economic incentives should, with increased force, impact upon enterprises in the direction of their applications and dissemination of the results of research out of their own development funds and FPTiE [expansion unavailable]. Likewise, consideration should be given to that development of economic reform mechanisms and instruments that will compel the

utilization of technical progress as a means of production increase while simultaneously reducing the per-unit consumption of production elements. These mechanisms that primarily include the setting of prices and the creation of taxes and tax relief should incline enterprises to use methods for implementing technical and technological progress as a major source of profits or of the income level of these enterprises. This role is not played by the mechanism of free-market competition, which is ineffective in our circumstances, nor can it be played by this mechanism. That is why it is indispensable to shift to a parametric pricing system in general that forces enterprises to embark upon activities leading to a reduction in production costs and an improvement in production quality. We should also anticipate the use of considerable tax deductions for activities that are technically progressive and for encouraging enterprises to designate funds from their own development funds for these purposes. However, there are technical and technological ventures that involve considerable risk, requiring a long period of implementation and extensive outlays, whose execution exceeds the potential of individual enterprises or even groups of enterprises. Consequently, these must be implemented through the initiative and financial help of central organs. The research, implementation and dissemination of such ventures require state commitment in the form of state orders and the granting of the necessary credits, foreign-exchange funds and procurement guarantees for their implementation, and in the event of need, likewise the earmarking of the necessary subsidies for this purpose.

As is shown, there is an urgent need for creating a central fund for implementation to aid implementational efforts and disseminate technical progress. The studies and analyses that have been conducted demonstrate that the indispensable funds for implementing scientific-research ventures require about 10 times the funding compared with outlays for scientific and developmental studies. There is also the need and the necessity to conduct continual studies and analyses of the technical and technological gap in our economy and to make studies and assessments of changes occurring in its make-up. Likewise, subbranch ministries must embark upon activities directed towards limiting this gap, and in special cases, even towards eliminating it. The planning of activities leading towards the broadly conceived development of technology, the initiating of these activities and their support ought to be one of the fundamental state tasks.

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CSO: 2600/1109

DECREE FOR IMPROVEMENT OF FOREIGN TRADE ACTIVITY

Bucharest BULETINUL OFICIAL in Romanian Part I No 33, 19 Apr 84 pp 1-32

Decree of the State Council on the Improvement of Foreign Trade Activity

Text The State Council of the Socialist Republic of Romania decrees:

Article I. Decree No 276/1979 on Some Measures for Improving the Activity of Foreign Trade, with the later amendments, is amended as follows:

1. Appendices Nos 1-16 and 16a provided for Article 1 are amended and are replaced with appendices Nos 1-19.
2. A new paragraph with the following content is inserted after Paragraph 1 of Article 1:  
  
"The enterprises and departments authorized to perform operations of foreign trade and international economic cooperation, regardless of their subordination, are also coordinated and guided, in accordance with the law, by the Ministry of Foreign Trade and International Economic Cooperation."
3. A new paragraph with the following content is inserted after Paragraph 2 of Article 2:  
  
"All foreign trade enterprises can carry out, beyond the approved object of activity, exports of machine-building products, within the counterpart operations for imports, and exports of any kind of Romanian goods, if the planned efficiency indicators are achieved."
4. Paragraph 3 of Article 2 is amended and will have the following content:  
  
"The imports of installations, machines, equipment and subassemblies, and other products or materials established under the conditions of the law, will be undertaken especially within the actions of cooperation and the actions of exportation in counterpart for products from the machine-building branch."
5. Appendix No 17 provided for Article 8 is amended and is supplemented in accordance with Appendix No 20.\*

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\* The appendix is communicated to the institutions involved.

Article II. The maximum number of posts for the specialized, administrative and general-service personnel in the foreign trade enterprises is that given in Appendix No 21.\*

Article III. On the date of 1 May 1984, there are founded:

a) The "Industrialexport-Import-Petromin" Foreign Trade Enterprise, with headquarters in Bucharest, subordinate to the Ploiesti Industrial Central for Petroleum Equipment, through the takeover of the activity of exportation and importation of installations, implements and equipment for the petroleum, mining and geological fields, from the Bucharest "Industrialexport-Import" Foreign Trade Enterprise;

b) The "Vitrocim-Forexim" Foreign Trade Enterprise, with headquarters in Bucharest, subordinate to the Ministry of Wood Industrialization and Construction Materials.

The enterprise is founded through the merger of the "Vitrocim" and "Forexim" foreign trade enterprises, which are dissolved;

c) The Enterprises for Fairs, Expositions and Publicity for Foreign Trade, with headquarters in Bucharest, subordinate to the Chamber of Commerce and Industry of the Socialist Republic of Romania.

The enterprise is founded through the merger of the Enterprise for Fairs and Expositions and the "Publicom" Publicity Agency for Foreign Trade, which are dissolved;

d) The "Icecoop-Ilexim" Foreign Trade Enterprise, with headquarters in Bucharest, subordinate to the Central Union of Artisan Cooperatives.

The enterprise is founded through the merger of the "Icecoop" and "Ilexim" foreign trade enterprises, which are dissolved;

e) The "Carpati" ONT [National Office of Tourism] Enterprise for International Tourism and Touristic Publicity, with headquarters in Bucharest, subordinate to the Ministry of Tourism.

The enterprise is founded through the merger of the "Carpati" ONT Enterprise for International Tourism and the "Publiturism" Touristic Publicity Agency, which are dissolved.

The enterprises have the object of activity given in appendices No 1, Point 4, No 9, Point 3, No 14, Point 2, No 15 and No 16, Point 1, are organized on the basis of worker self-management and economic, financial and valuta self-administration, with a juridical personality, and operate in accordance with the legal provisions on the organization and management of the state socialist units and with the structural standards for foreign trade activity approved by means of Decree No 162/1973.

\* The appendix is communicated to the institutions involved.



Article IV. The "Metalimport-Export" Foreign Trade Enterprise, with headquarters in Bucharest, subordinate to the Ministry of Foreign Trade and International Economic Cooperation, changes its name to the "'Metalexport-Import' Foreign Trade Enterprise" and passes to the subordination of the Ministry of the Metallurgical Industry.

The Bucharest "Industrialexport-Import" Enterprise passes from the subordination of the Ministry of the Machine-Building Industry to the subordination of the Bucharest Industrial Central for Technological and Chemical Equipment and Refineries.

Article V. The organizational structure of the Directorate for Economics and National Cultural Heritage within the Council for Socialist Culture and Education is supplemented with the "Artexim" foreign trade unit for cultural assets.

The unit is organized through the takeover of the activity of exportation and importation of films and recordings on magnetic tape from the "Romaniafilm" Central and the activity of exportation and importation of cultural assets from the "Ilexim" Foreign Trade Enterprise and has the object of activity given in Appendix No 19.

The "Artexim" foreign trade unit for cultural assets has a juridical personality in foreign relations of foreign trade and international economic cooperation, is responsible for fulfilling the obligations assumed through the contracts concluded, and operates on the basis of economic, financial and valuta self-administration.

Article VI. The organizational structure of the Bucharest "Rompresfilatelia" Enterprise is supplemented with the export-import department.

The department is organized through the takeover of the activity of exportation and importation of press, publications, stamps and other philatelic goods from the Bucharest "Ilexim" Foreign Trade Enterprise and has the object of activity given in Appendix No 11, Point 3.

Article VII. The assets and liabilities established on the basis of the balance sheet concluded on 30 April 1984, together with the economic, financial and valuta plan indicators and with the contracts concluded or in the course of being concluded, related to the activities taken over, pass to the founded or reorganized enterprises or to those that supplement their object of activity, on the basis of a protocol.

Article VIII. The appendix to Article 2, Paragraph 2, and to Article 20, Paragraph 3--foreign trade activity--in Decree No 162/1973, with the later amendments, is amended in accordance with Appendix No 22.\*

Article IX. The maximum number of posts for the activity of exportation, importation and international economic cooperation and for the activity of domestic general supplier for complex exports in the own apparatus of the industrial centrals is that given in appendices Nos 23\*-25.\*

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\* The appendices are communicated to the institutions involved.

Article X. The personnel transferred in the interest of service or moved to positions with lower pay levels and the worker personnel becoming available as a result of the application of the provisions of the present decree have the rights given in Article 21 of Decree No 162/1973, within the pay fund approved by means of Decree No 475/1983 for 1984.

Article XI. The provisions of Decree No 367/1980 on Some Measures for the Rational Utilization of the Personnel in the Socialist Units, whose application was extended by means of Decree No 476/1983, do not apply in 1984 to the posts in the foreign trade enterprises and to the posts in the units to which the personnel are transferred as a result of the application of the provisions of the present decree.

Article XII. The State Planning Committee and the Ministry of Finance, within 45 days after the date of the present decree, will propose the change in the 1984 sole national plan for economic and social development regarding the economic and financial plan indicators and in the volume and structure of the state budget, as a result of the application of the provisions of the present decree.

Article XIII. Appendices Nos 1-25 are an integral part of the present decree.

Nicolae Ceausescu,  
Chairman  
of the Socialist Republic of Romania

Bucharest, 17 April 1984.  
No 136.

Appendix No 1

Ministry of the Machine-Building Industry

<u>Name and Headquarters of Enter- prise</u>	<u>Subordina- tion of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Pitesti "Auto-Dacia"	Pitesti Industrial Central for Automobiles	Exportation  Automobiles, land cars, special vehicles de- rived from them, CKD [completely knocked-down components], SKD [partly knocked-down compo- nents], engines, gearboxes, automotive chassis; Installations and equipment for automotive maintenance and service; Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, shops and factories, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its ob- ject of activity;

Licenses, patents for Romanian inventions, trademarks, know-how, engineering, technology, assembly;  
Foreign general supplier in its field of activity.

#### Importation

Automobiles, cars and special vehicles derived from them;  
Subassemblies, CKD, SKD, engines, parts for making the specific products;  
Spare parts for the first equipping for imported automobiles;  
Licenses, studies, designs, know-how, engineering, technology, assembly, service, schooling and other work and services, proper to its object of activity.

2. Brasov  
"Autoexport-  
Import"

Brasov  
Industrial  
Central for  
Motor Vehicles for  
Transportation

#### Exportation

Trucks, dump trucks, automotive trailers and other trailers;  
Buses, trolley buses, utility, vehicles;  
Special vehicles and others derived from trucks, utility vehicles and buses;  
Motor vehicles for fire extinguishing;  
CKD, SKD, engines;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, shops and factories, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier in its field of activity.

#### Importation

Trucks, dump trucks, automotive trailers and other trailers;  
Buses, trolley buses, utility vehicles;  
Special vehicles and others derived from trucks, utility vehicles and buses;  
Motor vehicles for fire extinguishing;  
Subassemblies, CKD, SKD, engines, parts for making the specific products;  
Refrigerating and automotive air-conditioning

equipment and firefighting equipment for outfitting special vehicles;  
 Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

3. Brasov                      Brasov  
     "Universal-              Industrial  
     Tractor"                  Central for  
                                  Tractors

#### Exportation

Agricultural and industrial tractors, tractors equipped with bulldozer-type blades, scarifiers, loaders and other specific equipment;  
 Agricultural machines, equipment and tools, agricultural trailers;  
 CKD, SKD, engines, equipment, assemblies and subassemblies;  
 Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, shops and factories, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
 Asbestos-rubber material and metal asbestos;  
 Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;  
 Foreign general supplier in its field of activity.

#### Importation

Agricultural and industrial tractors, tractors equipped with bulldozer-type blades, scarifiers, loaders and other specific equipment;  
 Agricultural machines, equipment and tools, agricultural trailers;  
 CKD, SKD, engines, equipment, assemblies, subassemblies and parts for making the specific products;  
 Asbestos-rubber material and metal asbestos;  
 Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

4. Bucharest                  Ploiesti  
     "Industrial-              Industrial  
     export-                    Central for  
     Import-                    Petroleum  
     Petromin"                  Equipment

#### Exportation

Drilling installations and equipment for crude oil and gas;  
 Offshore drilling platforms;  
 Independent installations and equipment for the mining and geological fields;

Mining equipment and conveyor lines, mining cars and locomotives;  
Installations and equipment for geological prospecting and water-well drilling;  
Work in lohn/recompense/ in the, mining, and geological field;  
Hoisting and transporting machines and equipment;  
Industrial fittings of cast iron and steel;  
Pumps and pumping units in its field of activity;  
Machine tools and tools in its sector of activity, sets of machines, processing lines, assembly lines, shops and factories, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier for complex exports in its object of activity.

#### Importation

Equipment and supplementary implements specific to installations for crude-oil and gas drilling and extraction;  
Special devices, implements, equipment, apparatus and tools for offshore drilling platforms and for marine exploitation of crude oil and gas;  
Supplementary technological equipment and complex installations for the mining and geological units;  
Machines and equipment for coal-deposit exploitation, for preparation on the surface and for briquetting;  
Machines and equipment for the exploitation and preparation of nonferrous ore in quarries and underground;  
Installations for desulfurization, cleaning and drying of gas, turbocompressors for methane gas;  
Mining cars and locomotives;  
Apparatus for mine safety and rescue, pit lamps, drills, drill hammers, pick hammers, methane indicators, dressing and filtering materials for the mining industry;  
Hoisting and transporting machines and equipment;

Spare parts for the first equipping for imported installations and equipment;  
Pumps and pumping units in its field of activity;  
Fitting and assembly materials in its field of activity;  
Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

5. Bucharest	Bucharest	Exportation
"Industrial-export-import"	Industrial Central for Technological and Chemical Equipment and Refineries	<p>Refineries, complex installations, parts and equipment for the oil- and gas-refining industry;</p> <p>Factories, complex installations, and equipment for the petrochemical industry;</p> <p>Factories, complex installations, and equipment for the fertilizer and inorganic-products industry;</p> <p>Factories, complex installations, equipment for the plastic, rubber and tire industry;</p> <p>Factories, complex installations, and equipment for the drug, dye and lacquer industry;</p> <p>Factories, complex installations, and equipment for the chemical- and synthetic-thread and -fiber industry;</p> <p>Factories, installations for air fractionation, oxygen, nitrogen and other gases, storage and distribution stations;</p> <p>Complex installations and technological equipment for the food and refrigerating industry, including for bottling and packaging;</p> <p>Installations and equipment for silos;</p> <p>Other chemical equipment, pumps of all types;</p> <p>Fittings and assembly materials in its field of activity;</p> <p>Industrial ventilators;</p> <p>Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;</p> <p>Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;</p> <p>Foreign general supplier for complex exports in its object of activity.</p>

## Importation

Installations, parts of installations and technological equipment for the oil- and gas-refining industry;  
 Factories, complex installations, technological equipment for the petrochemical industry;  
 Factories, complex installations, and equipment for the fertilizer and inorganic-products industry;  
 Factories, complex installations, and equipment for the plastic, rubber and tire industry;  
 Factories, complex installations, and equipment for the drug, dye and lacquer industry;  
 Factories, complex installations, and equipment for the chemical- and synthetic-thread and -fiber industry;  
 Factories and installations for air fractionation, oxygen, nitrogen and other gases, storage and distribution stations;  
 Complex installations and equipment for the food and refrigerating industry, including for bottling and packaging;  
 Installations and equipment for silos;  
 Spare parts for the first equipping for imported installations and equipment;  
 Other chemical equipment, fittings and assembly materials in its field of activity;  
 Pumps of all types;  
 Industrial ventilators;  
 Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

6. Bucharest  
 "Mecano-  
 export-  
 Import"

Bucharest  
 Industrial  
 Central for  
 Technologi-  
 cal Equip-  
 ment and  
 Rolling  
 Stock

## Exportation

Diesel hydraulic, diesel electric and main-line electric locomotives, streetcars, parts;  
 Freight, passenger and special cars, assembly lines for them, CKD, SKD;  
 Shops for repairing locomotives, railroad cars and other means of transportation;  
 Motors and compressors, except those listed in the object of activity of other foreign trade enterprises;  
 Industrial filters and filtering equipment;  
 Construction and roadbuilding machines and equipment, pumping sets for construction;  
 Self-propelled cranes;  
 Metal products;

Machines for diecasting ferrous and nonferrous metals;  
Industrial air-conditioning installations;  
Equipment, implements, technological installations, and devices produced by the units of the Ministry of Industrial Construction;  
General-service installations and equipment;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier in its field of activity.

#### Importation

Main-line electric locomotives, streetcars and related spare parts;  
Freight, passenger and special cars and related spare parts;  
Equipment, machines, spare parts, devices, tools and apparatus for construction and road-building;  
Self-propelled cranes;  
Compressors and blowers, except those for furnace gas, coke gas and oxygen and those for methane gas;  
Motors, except those listed in the object of activity of other foreign trade enterprises;  
Industrial filters and filtering equipment;  
Machines for diecasting ferrous and nonferrous metals;  
Burners and hot-air generators, industrial air-conditioning installations, including those for computer stations;  
General-service equipment;  
Spare parts for the first equipping for import-installations and implements;  
Assembly lines for products in its object of activity;  
Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.



7. Bucharest Ministry of  
"Uzinexport- the Machine-  
Import" Building  
Industry

#### Exportation

Complex installations, manufacturing lines and technological equipment for the machine-build-industry, CKD for them;  
Complex installations, implements, basic equipment for the iron and steel, ferrous- and non-ferrous-metallurgical, chemical-coke, and fire-proof-, abrasive- and carbon-materials industry;  
Technological equipment for secondary heat treatments, furnaces of all types;  
Castings and forgings;  
Cement factories, manufacturing lines and technological equipment for the cement industry;  
Implements and equipment specific to the building of machines executed from the documentation of the customer;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier for complex exports in its object of activity.

#### Importation

Factories, complex installations, manufacturing lines and technological equipment for the machine-building industry, CKD for them;  
Complex installations for the National Council for Science and Technology;  
Complex installations for the iron and steel, ferrous- and nonferrous-metallurgical, chemical-coke, and fireproof-, abrasive- and carbon-materials industry, furnaces of all types and technological equipment for foundries;  
Machines and equipment for smelting and refining nonferrous ore;  
Apparatus for spectral analysis and for determination of hydrogen, oxygen, nitrogen and other elements in steel;  
Technological turboblowers, electric blowers, turbocompressors and electric compressors for furnace gas, coke gas and oxygen;  
Parts of installations and equipment for cement factories;

Equipment for coating metal surfaces;  
Galvanizing installations;  
Spare parts for the first equipping for imported installations and implements;  
Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

8. Galati "CNG" Galati Ship  
Ship Central Industrial  
Central

#### Exportation

Seagoing ships for transporting freight and passengers;  
Ships for the fishing fleet, Atlantic-type supertrawlers, refrigerated ships for transporting fish;  
Lighters, seagoing dredges;  
Rock-removal platforms;  
Seagoing pilot boats and seagoing and river tugboats;  
River and lake ships and boats (passenger vessels, motorboats, pushers, barges, pushed oil tankers, scows);  
Floating pump stations;  
Assemblies, equipment, motors, implements and accessories specific to seagoing, river and lake ships and boats;  
Repairs on seagoing ships, on roadsteads and for ocean fishing;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly.

#### Importation

Ships, boats, ship implements and equipment;  
Installations for shipbuilding;  
Supplementary equipment and motors specific to shipbuilding, except those listed in the object of activity of other foreign trade enterprises;  
Licenses, studies, designs, know-how, engineering, service, technical assistance, schooling and other work and services, proper to its object of activity.

9. Bucharest  
"Romenergo"

Bucharest  
Industrial  
Central for  
Power and  
Metallurgi-  
cal Equip-  
ment

Exportation

Electric power stations, complex power installations and basic equipment for the power industry;  
Hydroelectric power sets and hydromechanical equipment;  
Complex nuclear and power-generating installations and equipment for nuclear-electric power stations;  
Technological and supplementary implements and equipment specific to electric power stations and nuclear-electric power stations;  
Equipment for boilers and turbines, including boiler bottoms;  
Urban and industrial thermal and electric power stations, thermal power sets for industrial heating;  
Diesel power stations with powers above 850 kilowatts and component parts;  
Materials specific to the production of nuclear-electric implements and equipment;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier in its field of activity.

Importation

Electric power stations, complex nuclear and power-generating installations and equipment for nuclear-electric power stations;  
Equipment, parts of installations for the power industry;  
Technological and supplementary implements and equipment for nuclear-electric power stations;  
Equipment for boilers and turbines, including boiler bottoms;  
Materials specific to the production of nuclear-electric equipment, if they are not listed in the object of activity of other foreign trade enterprises;  
Thermal power sets for industrial and urban heating;  
Specific spare parts and ones for the first

equipping for imported installations and implements;  
 Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

10.	Bucharest "CNA" National Aeronautical Center	Bucharest National Center for the Romanian Aeronautical Industry	<p style="text-align: center;">Exportation</p> <p>Airplanes, helicopters, gliders and motor gliders;          Conventional and jet engines for aviation;          Assemblies, subassemblies, equipment, materials for airplanes, helicopters and engines;          Equipment for airports and means of service on the ground;          Repairs;          Actions of cooperation in the field of the aeronautical industry;          Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;          Licenses, patents for Romanian inventions, studies, designs, know-how, engineering, technology, assembly.</p>
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. Importation

Airplanes, helicopters, gliders;  
 Conventional and jet engines for aviation;  
 Equipment, apparatus for protection and control of air navigation;  
 Equipment for airports and means of service on the ground for airplanes and helicopters;  
 Flight simulators, test stands, aircraft instruments;  
 Installations, equipment, sets, implements and materials specific to aviation;  
 Repairs;  
 Materials specific to aviation that are not listed in the object of activity of other foreign trade enterprises;  
 Actions of cooperation in the field of the aeronautical industry;  
 Licenses, studies, designs, know-how, engineering, technology, service, assembly, technical assistance, schooling and other work and services, proper to its object of activity.

11. Bucharest  
"Tehno-  
import-  
Export"

Ministry of  
the Machine-  
Building  
Industry

#### Exportation

Bearings, balls and rollers for bearings, bushings;  
Assembly parts and elements;  
Equipment, apparatus, implements, technological installations, materials and special devices for facilities of nuclear and special interest;  
Technical assistance, evaluations, consulting for activities in the nuclear field;  
Studies, designs, engineering services abroad for facilities of nuclear and special interest;  
Apparatus for nuclear physics;  
Equipment and materials needed for film production;  
Films and recordings on magnetic tape, other than those for cinematography, television and radio;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity.

#### Importation

Bearings, balls and rollers for bearings;  
Manufacturing lines, assembly parts and elements;  
Supplementary imports for exports of equipment, apparatus, implements, technological installations, materials and special devices for facilities of nuclear and special interest;  
Technological and supplementary equipment, specific spare parts for the units of the State Committee for Nuclear Energy;  
Complex installations and equipment for research and applications in nuclear physics and techniques;  
Apparatus for nuclear physics;  
Photographic apparatus and materials, film of any sort, equipment, installations and materials needed for film production, the movie network and television;  
Products, equipment, apparatus and materials needed by the scientific research units, including the rental of them;  
Geophysical apparatus;  
Printing materials, equipment and installations;

Blank records and magnetic tape;  
 Films and recordings on magnetic tape, other than those for cinematography, radio and television;  
 Apparatus for fault detection and gas analysis;  
 Equipment for protection from dust and noxious gases and for divers.

## Appendix No 2

### Ministry of the Machine-Tool, Electrical-Engineering and Electronics Industry

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Masin-export-import"	Bucharest Industrial Central for Machine Tools	<p>Exportation</p> <p>Machine tools for working metal by cutting, subassemblies, parts and accessories;            Machine tools for working metal by deformation, subassemblies, parts and accessories;            Machines for working metal by unconventional procedures (electroerosion, ultrasonics, other such);            Cutting tools and dies for pressing and forging, mechanical and pneumatic handtools;            Sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;            Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;            Foreign general supplier in its field of activity.</p> <p>Importation</p> <p>Machine tools for working metal by deformation, accessories and parts for them;            Machine tools for working metal by cutting, accessories and parts for them;            Machines for working metal by unconventional procedures (electroerosion, ultrasonics and so on);            Subassemblies and parts for machine tools;            Cutting tools for machine tools, dies for pressing and forging;            Mechanical and pneumatic handtools;            Assembly lines for machine tools;</p>

Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

2. Bucharest "CMT" Central for Textile Machines  
Bucharest Industrial Central for Machines and Equipment for Light Industry

#### Exportation

Complex installations, machines and equipment for light industry, accessories and parts for them;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, technology and assembly;  
Foreign general supplier for complex exports in its object of activity.

#### Importation

Technological equipment and installations for spinning mills, for the garment, knitwear, leather-goods and footwear industry;  
Equipment for preparation and weaving and equipment and installations for the chemical finishing of cloth;  
Technological equipment and installations for glassware, crockery, procelain, window glass and glass fibers;  
Technological equipment and installations for the production of metal articles for home use, including enameling equipment;  
Accessories for imported implements and equipment;  
Parts and subassemblies for the domestic production of textile machines;  
Licenses, patents, studies, designs, engineering, know-how, technical assistance, proper to its object of activity.

3. Bucharest "Electro-export-Import"  
Bucharest Industrial Central for Electro-technical Materials and Motors

#### Exportation

Assembly lines for products of the electrical-engineering industry;  
Power capacitors, power and distribution transformers, generating sets, electric motors;  
High- and low-voltage electrical apparatus;  
Cables and electrical conductors, electrical insulating materials;

Elevators;  
 Accumulators, galvanic cells and batteries;  
 Welding converters with electric and thermal  
 motors and oxyacetylene welding apparatus;  
 Indoor and outdoor lighting fixtures, incandes-  
 cent, fluorescent and mercury- and sodium-vapor  
 lamps;  
 Wiring materials (connectors, connecting clips,  
 electrical couplings, switches, limit stops,  
 automatic protective devices and automatic  
 fuses, regulating and heating resistors for  
 100 watts, commutators), signaling lamps;  
 Electrical home appliances and electrotechnical  
 products;  
 Electric handtools;  
 Marking cases;  
 Laboratory apparatus, medical instruments and  
 apparatus;  
 Optical-mechanical apparatus (microscopes and  
 optical devices);  
 Optical, technical and laboratory glassware;  
 Bicycles, motorbikes, motorcycles, parts and  
 subassemblies;  
 Technical and electronic timepieces;  
 Equipment, apparatus and materials for scien-  
 tific research;  
 Apparatus and materials for teaching use;  
 Balances and scales;  
 Measurement and control apparatus and instru-  
 ments for mechanical quantities (length, tem-  
 perature, pressure, flow, level) and electrical  
 quantities;  
 Machine tools in its sector of activity, sets  
 of machines, processing lines, assembly lines,  
 spare parts, organization of service and tech-  
 nical assistance, schooling and other work and  
 services, proper to its object of activity;  
 Licenses, patents for Romanian inventions,  
 trademarks, studies, designs, know-how, engi-  
 neering, technology and assembly;  
 Foreign general supplier in its field of activ-  
 ity.

#### Importation

Assembly lines, equipment, specific machines  
 and spare parts for the electrical-engineering  
 industry;  
 Electric motors, rotary electric machines;  
 Power capacitors, power and distribution trans-  
 formers;



High- and low-voltage electrical apparatus;  
Voltage regulators, thermal and electromagnetic relays, regulators for power factors and specific spare parts for them;  
Accumulators, galvanic cells and batteries;  
Cables, conductors, equipment for the cable and electrical-conductor industry, winding benches, carbon and graphite brushes for electric machines, insulators, electrical insulating materials;  
Wiring materials (connectors, connecting clips, electrical couplings, switches, limit stops, automatic protective devices and automatic fuses, regulating and heating resistors for 100 watts, commutators), signaling lamps;  
Electric and oxyacetylene welding and cutting equipment and installations;  
Lighting sources, specific semiproducts for producing them, and spare parts;  
Incandescent, fluorescent and mercury-, sodium- and iodine-vapor lamps and other similar products;  
Electrical home appliances;  
Electric handtools;  
Laboratory apparatus, medical apparatus and instruments;  
Medical and industrial X-ray apparatus, including accessories and components for making the respective apparatus;  
Optical, technical and laboratory glassware;  
Laboratory kilns and pumps;  
Apparatus and instruments for physical and mechanical tests;  
Typewriters, copiers and duplicators;  
Optical-mechanical and photogrammetric apparatus;  
Measurement and control apparatus for electrical quantities and for regulation of industrial processes;  
Measurement and control apparatus for mechanical quantities (length, temperature, pressure, flow, level);  
Technical and electronic timepieces;  
Bicycles, motorbikes, motorcycles and parts for them;  
Balances and scales;  
Licenses, studies, designs, know-how, engineering, technology, assembly, technical assistance, schooling and other work and services, proper to its object of activity.

4. Bucharest  
"Electronum"

Bucharest  
Industrial  
Central for  
Electronics  
and Computer  
Technology

Exportation

Machines and equipment for computer technology;  
Active and passive electronic components, transistors, diodes, integrated circuits, thyristors, optoelectronics, electron tubes, resistors, capacitors and specific semiproducts, quartz oscillators and filters, electron relays;  
Radio and television receivers, tape recorders, cassette players, closed-circuit television;  
Telephone exchanges and apparatus;  
Installations and equipment for wire and wireless telecommunications, components and spare parts for them;  
Installations, systems, equipment and elements for automation, signaling and protection;  
Machine tools in its sector of activity, sets of machines, processing lines, assembly lines, spare parts, organization of service and technical assistance, schooling and other work and services, proper to its object of activity;  
Licenses, patents for Romanian inventions, trademarks, studies, designs, know-how, engineering, technology, assembly;  
Foreign general supplier for telephone exchanges, automation installations and computer systems.

Importation

Manufacturing lines, specific machines, and spare parts for the electronics industry;  
Computers and computer systems, expansions, subassemblies, components and specific parts, peripheral elements for computers, consumable material and wearing parts for computer technology;  
Active and passive electronic components, transistors, diodes, integrated circuits, thyristors, electron tubes, resistors, capacitors and specific semiproducts;  
Radio and television receivers, tape recorders, cassette players, closed-circuit television;  
Equipment and installations for radio and television, tape recorders, control desks, cameras and specific spare parts for them;  
Quartz oscillators and filters, electron relays, logic circuits, numerical controls, display equipment for machine tools and service for them;

Electronic and pneumatic automation elements in a unified system;  
 Installations and equipment for wire and wireless telecommunications, components and spare parts for them;  
 Electroacoustic apparatus, except that for medical use;  
 Licenses, studies, designs, know-how, engineering, technology, assembly, service, technical assistance, schooling and other work and services, proper to its object of activity.

### Appendix No 3

#### Ministry of the Metallurgical Industry

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Metal-export-Import"	Ministry of the Metallurgical Industry	<p>Exportation</p> <p>Ferrous and nonferrous rolled metal of all prototype dimensions and qualities;          Ferroalloys, drawn rods, wire-drawn products, traction cables, welding electrodes, nails and other metallurgical products;          Aluminum, lead, zinc, bronze and other nonferrous metals in blocks and processed products;          Other products of ferrous and nonferrous metals, including special ferroalloys, tool, alloy and stainless steel for various uses;          The exchange of metallurgical products with the socialist countries.</p> <p>Importation</p> <p>Ferrous and nonferrous rolled metal of all prototype dimensions and qualities;          Cast iron, ferroalloys, drawn rods, wire-drawn products, traction cables, welding electrodes and other metallurgical products;          Aluminum, lead, zinc, nickel, platinum, tin, copper, mercury, cobalt, cadmium, magnesium, metallic silicon, antimony and other nonferrous metals, including processed ones;          Sieves of ferrous and nonferrous metals;          Other products of ferrous and nonferrous metals, including special ferroalloys, tool steel, powders of metallic carbides, belts and blades for saws;</p>

The exchange of metallurgical products with the socialist countries.

Appendix No 4

Ministry of the Chemical Industry

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Danubiana"	Ministry of the Chemical Industry	<p>Exportation</p> <p>Synthetic rubber; Carbon black; Tires; Conveyor belts, mats, sheets, tubes, hoses and gaskets of rubber; Chemical fertilizers (urea, ammonium nitrate, nitrolime, superphosphate, ammonium sulfate, ammonia, liquid fertilizer and aqueous ammonia, including acids used in the fertilizer industry), combined fertilizers, technical urea, phosphoric acid; Chemical threads and fibers, including viscose-type staple fiber for the textile industry.</p> <p>Importation</p> <p>Natural rubber and special assortments of synthetic rubber; Carbon black, mining explosive; Tires, cord mesh, technical and insulating products of rubber, viscose-type staple fiber; Antioxidants, antiozonants, accelerators for vulcanization ("vulcacite"); Phosphorite, chemical cellulose; Raw materials and supplies for the production of fertilizer, rubber and products of rubber that are not listed in the object of activity of other foreign trade enterprises.</p>
2. Bucharest "Chimimport-Export"	Ministry of the Chemical Industry	<p>Exportation</p> <p>Soda ash, caustic soda, various sodium-chloride and petrochemical products, methanol, butanol, octanol, phenol, acetone, sodium bichromate, acetic acid, carbide; Chlorine and hydrochloric acid; Catalysts, ion exchangers; PVC /polyvinyl chloride/, polyethylene,</p>

acrylonitrile, polyvinyl acetate, polystyrene, Bakelite;  
 Mats, sheets, tubes, hoses and gaskets of plastic and other plastic products made by units within the Ministry of the Chemical Industry;  
 Insecticide, alkylamines;  
 Drugs for human use, pharmaceutical substances;  
 Cosmetics and raw materials for them;  
 Dyes and intermediates, lacquers and paints;  
 Detergent, soap and other similar products;  
 Plasticizers and other chemical products.

#### Importation

Rosin, sulfur, alcohol and fatty acids, reagents, adhesives and catalysts, chrome ore, cellophane;  
 Ion exchangers, synthetic camphor, arsenic trioxide and other chemical products;  
 Special lines of polypropylene, polystyrene, PVC granules, technical and insulating products of plastic;  
 Drugs and medicinal products for human use, pharmaceutical substances, boracite;  
 Raw materials and supplies for cosmetics;  
 Other raw materials for the chemical industry;  
 Dyes, intermediates, organic and inorganic pigments;  
 Special lacquers and paints, organic solvents and zinc oxide;  
 Naphthalene, plasticizers, bone and leather glues;  
 Glycerin, suet, vegetable oils (tung, linseed, coconut), stearin and other chemical products;  
 Amines;  
 Insecticide;  
 Raw materials for the chemical industry.

#### Appendix No 5

#### Ministry of Light Industry

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Arpimex"	Bucharest Central for the Leather-Goods and	Exportation Footwear with uppers of leather and substitutes for leather, rubber footwear;

Footwear  
Industry

Gloves, articles of morocco leather;  
Clothing of leather and fur;  
Furs, skins;  
Operations in (lohn).

Importation

Raw materials, supplies, auxiliary materials for the industry of leather goods and footwear of leather substitutes, rubber and plastic; Belts, linings, strips of leather, and other products for the leather-goods and footwear sector;  
Metal accessories needed for footwear, clothing of leather and fur and morocco leather goods; Interindustrial exchanges of products proper to its object of activity.

2. Bucharest  
"Confex"

Ministry  
of Light  
Industry

Exportation

Textile confections from the production of the industrial centrals subordinate to the Ministry of Light Industry;  
Operations in (lohn);  
Cotton-, wool-, flax-, hemp- and silk-type textile fabrics;  
Bedclothes, house linen and other products made from textile fabrics.

Importation

Cotton-, wool-, flax-, hemp- and silk-type textile fabrics for the garment industry;  
Interindustrial exchanges of products proper to its object of activity.

3. Bucharest  
"Romano-  
export"

Ministry  
of Light  
Industry

Exportation

Knitwear, socks and other knitted products;  
Knitwear from the production of the Bucharest Garment Central;  
Camping articles;  
Coverings and machine mats;  
Finished textile products for industrial uses;  
Knickknacks and trimmings;  
Textile fibers and threads of animal and vegetable origin and in a mixture;  
Flax and hemp tow, yarn and wadding;  
Textile scraps;  
Products of flax and hemp scutch;  
Operations in (lohn).

### Importation

Textile fibers and threads of animal and vegetable origin;  
 Knickknacks and trimmings;  
 Knitwear and socks for socialist trade;  
 Fabric bags, fabric and plastic sieves;  
 Technical cloth;  
 Materials for production specific to the textile sector, including dyes;  
 Interindustrial exchanges of raw materials, semiproducts and finished products, processing in (lohn), proper to its object of activity.

4. Bucharest  
 "Romsit"

Bucharest  
 Central for  
 the Glass  
 and Fine-  
 Ceramics  
 Industry

### Exportation

Metal consumer goods, enameled vessels, toys, accessories, various metal products;  
 Household articles of glass, fine ceramics, porcelain;  
 Window glass, mirrors, bricks of glass.

### Importation

Window glass;  
 Accessories for the production of light industry.

### Appendix No 6

### Ministry of Agriculture and the Food Industry

<u>Name and Headquarters of Enter- prise</u>	<u>Subordina- tion of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Prodexport"	Ministry of Agriculture and the Food Industry	<h3>Exportation</h3> <p>Animals (cattle, sheep, hogs and horses), live poultry and chicks for meat, breeding and reproduction, and consanguineous lines of them;            Meat and animal byproducts, canned and prepared meat, poultry meat, technical fats;            Eggs and egg byproducts;            Fish and preparations of fish, crabs, frogs, flour paste ware;            Live and shot game;            Agricultural products from the production of the state agricultural units and the agricultural cooperatives for production and purchases</p>

from individual producers through the association of beekeepers;  
 Sugar and sugar products;  
 Tobacco, cigarettes;  
 Dairy products and milk derivatives;  
 Edible and technical vegetable oils;  
 Biological material for the production of serums and vaccines for reproductive and zoological purposes.

#### Importation

Animals for butchering, meat, live and butchered poultry, eggs and fertilized eggs, fish;  
 Animals, poultry and chicks for breeding and reproduction, and consanguineous lines of them;  
 Sugar, molasses, edible oils;  
 Tobacco, filters for cigarettes and material for filters;  
 Dairy products and milk derivatives;  
 Other products from the agricultural and food sector;  
 Biological material for the production of serums and vaccines for reproductive and zoological purposes.

2. Bucharest  
 "Fruct-export"

Ministry of  
 Agriculture  
 and the Food  
 Industry

#### Exportation

Fresh field and hothouse vegetables, fresh orchard, garden and forest fruit, early summer and fall potatoes, flowers, fresh mushrooms from cultivation and from spontaneous flora, nuts, medicinal plants, aromatic seeds;  
 Fruit and vegetables preserved by cold, dehydrated fruit and vegetables, dried mushrooms, mushrooms in salt;  
 Canned vegetables, fruit and mushrooms, tomato catsup and juice, pulp, marc and juices of orchard and forest fruit, concentrated juices, jam;  
 Mineral water;  
 Natural and special, decanted and bottled wine, cognac, vermouth, champagne, natural brandies of wine and fruit, wine distillates, liqueurs, beer, starch, glucose, alcohol, concentrated grape juice and grapes.

3. Bucharest  
 "Romagrimes"

Ministry of  
 Agriculture  
 and the Food  
 Industry

#### Exportation

International economic cooperation in the agricultural, zooindustrial and food-industry fields in the country and abroad;



The formation of joint production and marketing societies within its object of activity in the country and abroad;  
 Equipment, installations and related spare parts from the production of the Ministry of Agriculture and the Food Industry that are not listed in the object of activity of other foreign trade enterprises;  
 Seeds and planting stock;  
 Drugs and medicinal products for veterinary use;  
 Organization of agricultural crops through a mutual exchange of technologies, equipment, seed and technical assistance;  
 Foreign general supplier for the exportation of studies, designs, licenses, technical documentation, know-how, technical assistance and for the organization of agricultural units and ones for the preindustrialization and industrialization of agricultural products.

#### Importation

Fishing gear related to industrial fishing;  
 Licenses, studies, designs, technical documentation, know-how, technical assistance for factories, complex installations, and supplementary technological equipment and spare parts for the organization of agricultural crops, facilities for preindustrialization of agricultural products for domestic needs and in the capacity of foreign general supplier for the needs of the actions of cooperation;  
 Drugs and medicinal substances for veterinary use, biostimulants.

#### Appendix No 7

#### Ministry of Mines

Name and Headquarters of Enterprise	Subordination of Enterprise	Object of Activity According to Main Groups of Products and Work
1. Bucharest "Geomin" Enterprise for Economic Cooperation with Foreign	Ministry of Mines	The execution abroad of geological prospecting and exploration for useful mineral substances; The execution abroad of exploratory drilling and of work of construction of mines and dressing plants and other construction-assembly work in the mining industry;

Countries in  
the Field of  
the Mining  
Industry and  
Geology

The doing of technological research, designs, studies, evaluations, engineering services and technical assistance in the mining and geological fields for solid useful mineral substances; Participation in actions of cooperation with foreign partners for prospecting for and exploiting solid useful mineral substances; Production activities abroad and in the country through participation in actions of cooperation with foreign partners in the fields of mining and copper, lead and zinc metallurgy; Exportation of complex installations and equipment for mining operations, plants for dressing solid useful mineral substances and processing mineral products, within the contracted actions of cooperation; The execution abroad of geological and hydrogeological drilling; Leasing operations within its object of activity; Imports needed for mining and geological sites and facilities for solid useful mineral substances, under construction abroad; Exportation and importation of concentrates of nonferrous ores; Foreign general supplier for complex exports in its object of activity; Exportation of salt, mine flowers, chalk, talc, diatomite, feldspar and other nonmetalliferous products; Importation of kaolin and graphite.

Appendix No 9

Ministry of Petroleum

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products and Work</u>
1. Bucharest "Rompetrol" Enterprise for Economic Cooperation with Foreign Countries in the Field of Petroleum and Gas	Ministry of Petroleum	The bidding for, contracting for and execution abroad of work of drilling wells and putting them into production, construction of installations and main pipelines for transportation, and storage and distribution of petroleum and natural gas, and other construction-assembly work in the petroleum and gas extractive industry; The doing of technological research, designs, studies, evaluations, engineering services and technical assistance in the petroleum and gas extractive field;

Participation in actions of cooperation with foreign partners for exploration, exploitation of hydrocarbons;  
 Participation in production activities through actions of cooperation with foreign partners, in the field of petroleum and gas;  
 The transit of crude oil and gas over the territory of the Socialist Republic of Romania;  
 The exportation and importation of natural gas;  
 Imports needed for petroleum and geological sites and facilities abroad and imports of technology, designs and technical assistance for petroleum work on offshore platforms in the country and abroad;  
 Foreign and domestic general supplier for complex exports in its object of activity.

#### Appendix No 9

#### Ministry of Wood Industrialization and Construction Materials

Name and Headquarters of Enterprise	Subordination of Enterprise	Object of Activity According to Main Groups of Products
1. Bucharest "Tehno-forest-export," with the Radauti and Arad agencies	Bucharest Wood-Processing Central	Exportation
		Finished products of wood (furniture, boats, articles for sports and musical instruments of wood, doors and windows) and prefabricated houses; Accessories for the wood and furniture industry; The formation of joint production and marketing societies in the country and abroad, within its object of activity.
		Importation
		Logs for veneer, veneer and special veneer, seaweed and materials specific to the wood industry (lacquer, adhesives, (tegofilm), (tegotex), paint, polish) that are not listed in the object of activity of other foreign trade enterprises; Accessories for the wood and furniture industry.

- |                                                                                 |                                                                                  |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Bucharest<br>"Export-<br>lemn," with<br>an agency<br>in Galati               | Ministry of<br>Wood Indus-<br>trialization<br>and Con-<br>struction<br>Materials | Exportation | Lumber (pine, beech, oak), parquet, wooden con-<br>tainers, chipboard, normal and corrosion-resis-<br>tant fiberboard, plywood, blockboard, veneer,<br>various products of wood (wood for cellulose,<br>pit charcoal, poles, posts), paper and card-<br>board, products of paper and cardboard;<br>Cellulose;<br>The formation of joint production and marketing<br>societies in the country and abroad, within its<br>object of activity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                 |                                                                                  | Importation | Wood for cellulose, chemicals specific to the<br>cellulose and paper industry, special technical<br>paper and cardboard, except electrotechnical<br>paper and cardboard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3. Bucharest<br>"Vitrocim-<br>Forexim,"<br>with the<br>Constanta<br>Port Agency | Ministry of<br>Wood Indus-<br>trialization<br>and Con-<br>struction<br>Materials | Exportation | Cement, products of asbestos cement, plaster,<br>gypsum stone, lime;<br>Marble (blocks, sheets, granules and deriva-<br>tives), basalt, granite;<br>Quarry products;<br>Porcelain and cast-iron sanitary articles (in-<br>cluding enameled), sanitary fixtures, bathtubs;<br>Radiators, sanding shot;<br>Ceramic tile and sandstone plates;<br>Water-, sound- and heat-insulating materials;<br>Conduits of concrete, sandstone and cast iron;<br>Prefabricated parts of concrete, reinforced<br>concrete and other construction materials;<br>Mats, moquette, wallpaper and synthetic fibers<br>produced the units of the Ministry of Wood<br>Industrialization and Construction Materials;<br>Factories for bricks and for pillars and pre-<br>fabricated parts of concrete;<br>Machine tools, equipment, spare parts, accesso-<br>ries for wood exploitation and the wood, cellu-<br>lose, paper and construction-materials industry<br>from the production of the Ministry of Wood In-<br>dustrialization and Construction Materials;<br>The formation of joint production and marketing<br>societies in the country and abroad, within its<br>object of activity;<br>Foreign general supplier for the exportation of<br>factories, complex installations, supplementary<br>technological equipment, individual machines<br>and equipment, parts of supplementary |

equipment, documentation, licenses, designs, technical assistance and spare parts, service for actions of international economic cooperation, contracted within the object of activity of the Ministry of Wood Industrialization and Construction Materials;  
International economic cooperation in the field of activity of the Ministry of Wood Industrialization and Construction Materials and the Ministry of Silviculture.

#### Importation

Asbestos and products of asbestos, fireproof materials and equipment;  
Cork and products of cork;  
Other specific materials for construction that are not listed in the object of activity of other foreign trade enterprises;  
Factories, complex installations, supplementary technological equipment, individual machines and equipment, parts of supplementary equipment, documentation, designs, technical assistance and spare parts for forest operations and the wood, cellulose, paper and construction-materials industry;  
Tools, cutters, devices and sieves, plastic, tools used in forest operations and the industrialization of wood, cellulose, paper and construction materials;  
Licenses, studies, technical documentation, designs, know-how, technical assistance for factories, complex installations, supplementary technological equipment and spare parts for the wood, cellulose, paper and construction-materials industry for the needs of the domestic economy and in the capacity of foreign general supplier for the needs of the actions of international economic cooperation.

#### Appendix No 10

#### Ministry of Electric Power

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Romelectro"	Ministry of Electric Power	<p>Exportation</p> <p>High-, medium- and low-voltage electrical lines, transformer stations and posts, poles</p>

and brackets for high-, medium- and low voltage lines;  
 The doing of construction and assembly work abroad for thermo- and hydroelectric power stations, dams and hydrotechnical facilities;  
 Cooling towers, smokestacks;  
 Apparatus, equipment and parts specific to the power sector for construction-assembly and exploitation;  
 Auxiliary installations for electric power stations (circuits for steam, water, air and flue gas), including related materials;  
 The exportation and transit of electric power;  
 Licenses, studies, designs, engineering, technical assistance, evaluations for the power sector;  
 Foreign general supplier for the construction-assembly work that it does abroad.

#### Importation

Complex power installations and equipment for electric power;  
 Technological and supplementary implements and equipment, spare parts specific to the power sector that are not listed in the object of activity of other foreign trade enterprises;  
 Equipment, apparatus, materials and spare parts specific to the work of capital repairs on power-generating sets;  
 Equipment, apparatus and materials for doing construction and assembly work abroad;  
 Electric power.

#### Appendix No 11

#### Ministry of Transportation and Telecommunications

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Work, Services and Products</u>
1. Bucharest "Contransex"	Bucharest General Contractor-Central for Railroad Construction	Exportation  Foreign general supplier, foreign general contractor or specialized foreign contractor for work of construction of railroads, roads, bridges, tunnels, airports, navigable channels, ports and telecommunications; Studies, designs, documentation, licenses, technical assistance, services, evaluations and

schooling in the field of transportation and telecommunications;  
 Track apparatus, mechanization, automation and signaling installations in the field of transportation;  
 Containers, box pallets, spare parts and other products made in the units of the Ministry of Transportation and Telecommunications;  
 Technological lines for the production of crushed stone, chippings, sleepers of concrete, and others in the province of the Ministry of Transportation and Telecommunications.

#### Importation

Complex installations, equipment for investments for facilities for the Ministry of Transportation and Telecommunications, including licenses, documentation and technical assistance;  
 Machines, installations and equipment specific to the construction, repair and maintenance of roads, railroads and ships, equipment for signaling and traffic safety, the maintenance and repair of means of and equipment for transportation and electrification of railroads that are not listed in the object of activity of other foreign trade enterprises, portal and semiportal cranes, floating cranes and railroad cranes;  
 Ship repairs;  
 Garage equipment;  
 Machines and equipment for posts and telecommunications that do not enter into the object of activity of other foreign trade enterprises;  
 Spare parts for the maintenance and repair of means of railroad, ship and automotive transportation and installations for posts and telecommunications, except spare parts for automobiles of domestic make.  
 Coal creosote;  
 Equipment and materials needed for doing construction-assembly work abroad.

- |                                                                                                       |                                                                   |                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Bucharest<br>"Navlomar,"<br>with the<br>Braila,<br>Constanta,<br>Galati,<br>Tulcea,<br>Giurgiu and | Ministry of<br>Transporta-<br>tion and<br>Telecommuni-<br>cations | Exclusive charterings of Romanian and foreign ships, for maritime and river transportation on the account of the foreign trade units, except those done by the Sulina Free Port Administration, for its exports and imports;<br>Exclusive charterings of maritime and river tonnage for transportation on a foreign account; |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Orsova  
agencies

Bookings of ships on foreign accounts and in Romanian maritime and river ports (excluding the Sulina free port);  
Brokerage operations on a Romanian and foreign account;  
Supplies for ships, sales of goods, and services with payment in lei for Romanian ships and in valuta for foreign ships in Romanian maritime and river ports (excluding the Sulina free port);  
Transshipments, handling, transit of goods through foreign ports on a Romanian and foreign account.

3. Export-  
Import  
Department

Bucharest  
"Rompres-  
filatelia"  
Enterprise

#### Exportation

Stamps and other philatelic goods;  
Press and periodical publications.

#### Importation

Stamps and other philatelic goods;  
Press and periodical publications.

### Appendix No 12

#### I. Ministry of Foreign Trade and International Economic Cooperation

<u>Name and Headquarters of Enter- prise</u>	<u>Subordina- tion of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Petrol- export- Import"	Ministry of Foreign Trade and Internation- al Economic Cooperation	The importation of crude oil for the purpose of processing it in the country and marketing the resulting petroleum and petrochemical products for exportation, and any other operations with petroleum and petrochemical products from which a valuta contribution is achieved; The importation and exportation of crude oil and petroleum and petrochemical products, aromatic hydrocarbons, olefins, fractions for chemicalization, mineral and silicon oils, grease, additives, bitumen, petroleum and acicular coke, tetraethyl lead, heat-carrying agents, diluents, dipping agents, corrosion inhibitors, ethyl mercaptan and sulfonic acids.
2. Bucharest "Romconsult" Romanian	Ministry of Foreign Trade and	The making of studies and designs of any kind; The supervision of the achievement of the designs for any categories and kinds of work;



- |                                                                                        |                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consulting<br>Institute                                                                | International<br>Economic<br>Cooperation                                        | <p>Technical assistance and management in production processes and commissionings of industrial and economic units for foreign customers and suppliers;</p> <p>Assistance by consulting experts;</p> <p>The preparation of documentation for bidding and assistance on the bidding organized by foreign and domestic customers;</p> <p>The employment of Romanian specialists abroad for performing technical, scientific, teaching, health, legal, economic, cultural, artistic, sports and other activities;</p> <p>The training and specialization of personnel;</p> <p>Various evaluations, laboratory research and tests;</p> <p>Exportation of patented and unpatented procedures and technologies in the technical and economic fields;</p> <p>Importation of apparatus specific to the activity of consulting and technical assistance along the line of consulting.</p>             |
| 3. Bucharest<br>"Terra"                                                                | Ministry of<br>Foreign<br>Trade and<br>International<br>Economic<br>Cooperation | <p>Export-import, compensation, financial and switch operations, other foreign trade operations;</p> <p>Operations of exportation in counterpart;</p> <p>Operations of cooperation and collaboration, including with joint societies;</p> <p>Sales of goods and services with payment in valuta for joint societies, public organizations and physical persons, on the basis of the agreements concluded with them;</p> <p>Commercial operations established by the management of the Ministry of Foreign Trade and International Economic Cooperation, including departmental exports and imports;</p> <p>Sales of dwellings, repairs, outfitting and other work with payment in valuta;</p> <p>Middleman operations, on a commission basis;</p> <p>Importation of goods needed for supplying the stores and other sales units with payment in valuta;</p> <p>Sales of customs tickets.</p> |
| 4. Bucharest<br>"Romtrans,"<br>with agencies in B<br>Bucharest,<br>Episcopia<br>Bihor, | Ministry of<br>Foreign<br>Trade and<br>International<br>Economic<br>Cooperation | <p>International shipments and reshipments for exports and imports of goods in railroad, road, air, postal and combined traffic;</p> <p>Containerized shipments and transportation and activities connected with them;</p> <p>The procurement and organization of the transit of goods through the Socialist Republic of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Curtici,  
Galati,  
Iasi,  
Constanta,  
Braila,  
Giurgiu and  
Valea lui  
Mihai

Romania, the preparation of the documentation, the performance of the operations, and the supervision of the transit;  
Transportation, handling, storage and warehousing, the formation of shipments of a grouping of export, import and transit goods for exhibits at international fairs and expositions in the country and abroad and for property belonging to embassies and consular offices, cultural, sports, political and mass organizations and Romanian and foreign physical persons;  
The replenishment of ice for freight cars with perishable goods at the border points where its own icehouses operate and the organization of the replenishment on a foreign run;  
The fulfillment of the customs-clearance formalities for export, import and transit goods and for property belonging to institutions, cultural, sports, political and mass organizations, and embassies and consular offices, at all customhouses and customs points on the border and in the country.

5. Bucharest  
"Mercur"

Ministry of  
Foreign  
Trade and  
International  
Economic  
Cooperation

The exchange of consumer goods from the supply of goods meant for the domestic market with organizations and firms abroad;  
The exchange of goods of the Central Union of Cooperatives for Production, Purchases and Sale of Goods with firms and cooperative organizations in other countries;  
The exchange of goods of the Central Union of Artisan Cooperatives with firms and cooperative organizations in other countries;  
The homogeneous exchange of business equipment and furniture for the units in the domestic trade network;  
Importation of consumer goods for the socialist trade in food products, textiles, footwear and garments;  
Importation of detergent and insecticide for home use;  
Importation of bicycle tires and tubes;  
Importation of scythes and woodworking tools for home and household use;  
Importation of metal knickknacks, buttons, gablonz jewelry, enameled vessels, household articles of glass, porcelain, crockery, crystal, flatware, ordinary timepieces, petromax lamps and chandeliers, hardware, guns for hunting and sport, precious stones, beads, figurines, Christmas-tree ornaments;

Importation of record players and spare parts, sporting and swimming articles, school and office supplies, musical articles, articles for smokers, razor blades;  
 Importation of means of recreation with related spare parts and of products specific to sale through the restaurants in the domestic-trade and tourism network.

6. Bucharest "Dunarea"	Ministry of Foreign Trade and International Economic Cooperation	<p>Export operations: highly technical machines and equipment, chemical products, metallurgical products, construction materials, products of light industry and so on;          Import operations;          Operations with exchange goods;          Participation in actions of international economic cooperation;          Compensation, financial and switch operations;          Services for foreign partners, with payment in valuta;          Other foreign trade operations.</p>
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7. Bucharest "Agroexport"	Ministry of Foreign Trade and International Economic Cooperation	<p style="text-align: center;">Exportation</p> <p>Cereals, oilseeds, leguminous plants, technical plants, flour, protein flour;          Exclusive exchanges of cereals and fodder cereals.</p>
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Importation

Cereals, oilseeds, leguminous plants, technical plants, flour, protein flour;  
 Exclusive exchanges of cereals and fodder cereals.

8. Bucharest "Mineral-import-Export"	Ministry of Foreign Trade and International Economic Cooperation	<p style="text-align: center;">Exportation</p> <p>Carbon materials and scraps of them, carbonic blocks;          Graphite electrodes, electrode paste;          Pyrite;          Manganese ore, power coal, coal briquettes.</p>
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Importation

Iron ore, manganese ore, coking coal, power coal, coke, anthracite, rutile;  
 Fire clay, all assortments of fireproof materials;  
 Electrocorundum, abrasives, calcium and aluminum fluoride;

Bauxite, calcined alumina, potassium and fluorine salts, pyrite;  
Carbonic, cathodic and anodic blocks;  
Graphite electrodes, products of graphite (except brushes for electric motors), coal resin, cryolite, putty and other mineral products needed for the metallurgical industry;  
Mica.

- |                                    |                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Sulina Free Port Administration | Ministry of Foreign Trade and International Economic Cooperation | <p>Handling, storage, sorting, conditioning, packaging, manufacture, processing, marking, display, testing, sales and purchase, evaluation, and repair of ships, financial and banking operations, and other operations specific to the free ports and zones;</p> <p>Port services and international shipments of goods, the booking and provisioning of Romanian and foreign ships and crews, and other specific services;</p> <p>Charterings for the transportation of goods that it markets;</p> <p>Cooperation in the performance of work and services for foreign economic organizations and firms;</p> <p>The performance and coordination of investment actions, the giving of advice on the formation of joint societies, and other forms of cooperation with foreign partners in the Sulina free port.</p> |
|------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## II. Ministry of National Defense

<u>Name of Export-Import Department and Headquarters</u>	<u>Subordination of Export-Import Department</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Romtehnica," Export-Import Department	Directorate of Foreign Trade	Specific importation and exportation.

### Appendix No 13

#### Department for Construction Abroad

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products, Work and Services</u>
1. Bucharest "Arcom" Romanian Enterprise	Department for Construction Abroad	<p style="text-align: center;">Exportation</p> <p>Industrial, housing, sociocultural and municipal construction-assembly work;</p>

for Construction-Assembly

Foreign general supplier, foreign general contractor or specialized foreign contractor for industrial, housing, sociocultural and municipal construction-assembly work; Specialized technical assistance.

#### Importation

Purchases, under the conditions of the law, needed for sites abroad.

2. Bucharest "Arcif" Romanian Construction Enterprise for Land Improvement Abroad
- Department for Construction Abroad

#### Exportation

Work of land improvement, water-well drilling, water-supply feeders and installations, waterway regulation, water-treatment installations, other agricultural and zootechnical work; Foreign general supplier, foreign general contractor or specialized foreign contractor for work in its line of activity; Specialized technical assistance.

#### Importation

Purchases, under the conditions of the law, needed for sites abroad.

3. Bucharest "Romproiect" Center for Studies and Design for Construction Abroad
- Department for Construction Abroad

#### Exportation

Studies, designs, technical assistance, other engineering services done within its own activity, including with subdesigners, in the field of the work of industrial, housing, sociocultural and municipal construction, agricultural and zootechnical construction, and land improvement.

### Appendix No 14

#### Chamber of Commerce and Industry of the Socialist Republic of Romania

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Specialized Groups of Services</u>
1. Bucharest Office for Control of Goods, with territorial checkpoints	Chamber of Commerce and Industry of the Socialist Republic of Romania	Qualitative and quantitative control of goods for exportation and importation, on the commission of the foreign clients.

- |                                                                                |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Bucharest Enterprise for Fairs, Expositions and Publicity for Foreign trade | Chamber of Commerce and Industry of the Socialist Republic of Romania | <p>The performance of the work regarding the organization and setup of national and international economic fairs and expositions in the country and abroad;</p> <p>The achievement of foreign commercial advertising and propaganda for the foreign trade enterprises;</p> <p>The publishing and distribution abroad of the materials for general economic propaganda and for advertising for a product;</p> <p>The achievement of advertising for foreign firms.</p> |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Appendix No 15

Central Union of Artisan Cooperatives

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest Icecoop-Ilexim	Central Union of Artisan Cooperatives	<p>Exportation</p> <p>Products of the artisan cooperative system, the cooperative system for production, purchases and sale of goods, the county people's councils, and the units of small-scale industry in other branches;</p> <p>Furniture and articles of wood;</p> <p>Metal and chemical articles;</p> <p>Fabrics, sewing, garments and handcrafted garments;</p> <p>Footwear, articles of morocco leather;</p> <p>Fur trade, furriery;</p> <p>Various braids;</p> <p>Ceramics;</p> <p>Objects of silver;</p> <p>Handcrafted articles;</p> <p>Articles of metal and glass;</p> <p>Knotted and woven rugs (handmade);</p> <p>Articles for home and household use;</p> <p>Articles for interior decorations of wood, metal, glass, plaster of paris, ceramics and textiles;</p> <p>Tools and implements for home use and gardening;</p> <p>Small articles of rubber and plastic, articles cast or processed from metal or scrap metal;</p> <p>Remnants and articles of remnants and textile scraps, articles for the newborn, work clothes;</p>

Peat, reeds;  
 Chemicals for household use, ultramarine, alum;  
 School articles for travel, camping, sports and the beach;  
 Wind and percussion instruments;  
 Corncob powder, germs of wheat and corn, agricultural and food products that are not listed in the object of activity of other foreign trade enterprises;  
 Quarry and construction materials that are not listed in the object of activity of other foreign trade enterprises;  
 Operations in (lohn) and services in valuta, in its field of activity.

#### Importation

Products needed for the artisan cooperative system, the cooperative system for production, purchases and sale of goods, and the county people's councils that are not listed in the object of activity of other foreign trade enterprises;  
 Products and materials needed for the artisan cooperative system, the cooperative system for production, purchases and sale of goods, and the county people's councils, in compensation for products in its object of activity.

#### Appendix No 16

#### Ministry of Tourism

<u>Name and Headquarters of Enterprise</u>	<u>Subordination of Enterprise</u>	<u>Object of Activity</u>
1. Bucharest "Carpati" ONT Enterprise for International Tourism and Touristic Publicity, with: the Bucharest Agency for International	Ministry of Tourism	<p>The concluding and implementation of foreign contracts for bringing foreign tourists to the Socialist Republic of Romania, for: vacations, balneomedical treatments, organized tours, various sports activities, international congresses and events, trips to relatives and touristic services on request, touristic services for foreign motorists, the performance of actions on the basis of credit cards, specialized excursions;</p> <p>The providing of touristic services in the country and abroad with payment in valuta, at the request of foreign tourists and physical</p>

Touristic  
Services;  
the Bucha-  
rest Agency  
for Excur-  
sions with  
Romanian  
Tourists  
Abroad; the  
Bucharest  
Touristic  
Publicity  
Agency

and juridical persons of other countries tempo-  
rarily present in the Socialist Republic of Ro-  
mania;

The doing of currency exchange and the perfor-  
mance of services on the basis of traveler's  
checks in the municipality of Bucharest;

The coordination of the activity of its own or  
joint touristic societies with a commercial  
character, organized in accordance with the  
law;

The concluding of foreign contracts for orga-  
nized tours with Romanian citizens abroad, in-  
dividually, in a group or with motorists;

The selling of contractual and noncontractual  
foreign excursions to the population;

The organization and doing of foreign commer-  
cial advertising and publicity for the tourism  
units in collaboration with publicity agencies,  
newspapers, magazines, movie houses, radio and  
television stations, enterprises for fairs and  
expositions, advertising enterprises and so on  
abroad;

The performance of publicity actions (adver-  
tisements in the press, exhibitions and so on)  
for foreign firms, in publications and suitable  
spaces in resorts, localities and hotel and  
treatment units in the country;

The achievement and organization of exhibitions  
and other means of visual advertising and  
events with a character of touristic promotion  
abroad (gastronomic events, folkloric events  
and so on);

The preparation, printing, distribution and  
utilization of the materials for touristic pub-  
licity and propaganda in the country and abroad  
that do not fit into the notion of books;

The achievement, distribution and utilization  
of films and photographic material with a tour-  
istic character in the country and abroad.

2. Bucharest      Ministry of  
"Comturist"      Tourism  
Foreign  
Trade Enter-  
prise

The selling, for valuta, of goods from domestic  
production, from importation and from importa-  
tion on consignment through the "Comturist"  
network of subordinate stores, to the tourism  
units and other authorized units;

The shipping abroad of goods bought by foreign  
tourists at their request;

The selling, for valuta, at the retail price,  
of goods from domestic production to firms, or-  
ganizations and private persons abroad;

The selling of food, industrial and handcrafted  
goods, printed matter, records, objects of art



that do not constitute assets of national heritage, and so on, marketable in stands and exhibitions with a Romanian specific character and in Romanian restaurants or on the occasion of gastronomic events opened abroad;  
The selling, with payment in valuta, of goods from importation and domestic production to diplomatic and commercial representations that operate in the Socialist Republic of Romania;  
The importation of goods that are sold for valuta in the "Comturist" network that are not the object of centralized importation for the whole national economy. The list of these goods is established annually through a joint order of the Ministry of Foreign Trade and International Economic Cooperation and the Ministry of Tourism.

Appendix No 17

Romanian Radio and Television

<u>Name of Export-Import Department and Headquarters</u>	<u>Subordination of Export-Import Department</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest Export- Import Department	Bucharest Directorate for the Plan, Organization, Development and Control	Exportation
		Films and recordings on magnetic tape for television.
		Importation  Films and recordings on magnetic tape for television; Exchanges of television films.

Appendix No 18

Central Union of Cooperatives for Production, Purchases and Sale of Goods

<u>Name of Export-Import Department and Headquarters</u>	<u>Subordination of Export-Import Department</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Eximcoop" Export-Import Department	Bucharest Central for Contracting, Purchases and Food Production	Exportation  Edible egg mix, powdered eggs and industrial egg paste; Hairdresser's hair and feathers; Snails, frogs and frog legs;

Pigeons, rabbits;  
Honey and beeswax;  
Essential oils, sorghum seeds and  
pumpkinseeds.

Appendix No 19

Council for Socialist Culture and Education

<u>Name and Headquarters of Unit</u>	<u>Subordination of Unit</u>	<u>Object of Activity According to Main Groups of Products</u>
1. Bucharest "Artexim" Foreign Trade Unit for Cultural Assets	Directorate for Economics and National Cultural Heritage	Exportation  Books and objects of art; Printed matter in (lohn), recorded magnetic tapes and records; Films and recordings on magnetic tape for cinematography.  Importation  Books and objects of art; Recorded magnetic tapes and rec- ords; Films and recordings on magnetic tape for cinematography, feature films for television.

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# EFFORTS TO ACCELERATE COMPLETION OF ENERGY PLANTS

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[Article by Gheorghe Cocos]

[Text] The investment plan of the Ministry of Electric Power for 1984 forecasts large volumes of projects for insuring that important new energy goals are carried out, a fact marking the constant development of the national energy system. Thus, the investment plan for 1984 is 33 percent greater for the total compared with last year and 32 percent larger for construction-assembly, illustrating the high rate of development of the energy sector characteristic of the entire

In the speech he delivered to the recent plenum of the National Council of Workers, Comrade Nicolae Ceausescu once again gave an important place to production in the energy and raw materials area, once again stressing the big tasks belonging to those working in these areas. "We must do everything," the party's secretary general emphasized, "so that we can put all capacities into production on time, can carry out capital repairs and so that we insure conditions for the normal flow of activity from the energy viewpoint this fall and the winter of next year."

Taking action in light of these indications, both the Ministry of Electric Power as well as its main units have taken a number of measures to provide the necessary material-technical conditions, to concentrate the labor forces predominantly on the projects scheduled to be put into operation this year, giving special attention to extending work by the job with work by contract. Its forecasts, the investment plan for 1984 and, in particular, the structure of the new powers forecast to be installed in the electric power centrals reflect the party's policy in the energy area. In accordance with the guidelines set, this year's new capacities are located nearly entirely in the hydroelectric power centrals and the thermoelectric power centrals on coal, bituminous shale and recoverable energy resources. Through the actions which took place in the first five months of the year, new capacities totalling a power of 710 MW were put into operation, of which 175 were in hydroelectric power centrals and 535 were in the thermoelectric power centrals, among which we can mention: the Sugag hydroelectric power central on the Sebes--150 MW; the Galbeni hydroelectric power central on the Siret--14.5 MW; the Scropoasa hydroelectric power central--6 MW; the Turceni thermoelectric power central--330 MW; the Galati thermoelectric

power central--105 MW and others. Programmed to be put into operation for the June-December 1984 period are another 43 electric power production capacities with an installed power of 2,123 MW. For many of these, the status of construction-assembly jobs and for providing the material-technical conditions guarantees that they will be placed into operation within the schedules set.

Putting the energy capacities mentioned into operation represents the result of constant work done by the detachments of builders and assemblers as well as of the important contribution made by the energy equipment building plants, by the collectives of specialists in the design institutes of the Ministry of Electric Power and the Ministry of Machine Construction Industry as well as by the work collectives of the investment beneficiary enterprises by providing the equipment and execution designs within the schedules set.

However, for a number of projects the situation of jobs and of providing material-technical conditions is not appropriate. The excavation and concreting jobs in the underground galleries at the hydroelectric power station at Sebes downstream of Sasciori, Riul Mare-Retezat and the Leresti and Voinesti hydroelectric power centrals on the Tîrg River are lagging behind. Concreting at the main underground conduit for a length of around 5 km has not been carried out for the Dimbovită-Clabucet hydroelectric power central, while there are big lags in four of the hydroelectric power centrals at the Riul Mare downstream, where six hydroelectric power centrals are forecast to be put into operation this year, bringing execution of particularly large volumes of work. Examples of projects scheduled to be put into operation this year but for which lags still remain can be mentioned in the area of thermoelectric power, also.

These lags were the subject of broad analyses both at the level of the hydroelectric power construction enterprises as well as the ministry with a view to discovering the existing reserves and finding the most efficient solutions for mobilizing them. In this regard, an important concern aims at obtaining much greater rates in building the underground galleries from the hydroelectric power stations with big drops, both for excavations as well as concreting. For the jobs of concreting the galleries, for example, it is necessary to double the rate of construction on the basis of extending some new technologies applied successfully at the Sebes hydroelectric power station, currently achieving an average monthly rate of more than 300 m on the front. For the jobs lagging behind at the thermoelectric power centrals which are to be put into operation this year, measures also have been taken to supplement the number in the labor force and to carry out activity in two shifts, thus providing the fronts for assembly of the equipment as quickly as possible. Basically, what are the main energy goals toward which the Ministry of Electric Power and its units have directed both human forces, means of mechanization as well as the material base they have available on a priority basis?

In the hydroelectric energy area, first we should mention the Iron Gates II hydroelectric energy and navigation complex, a particularly important project intended to utilize the energy of the Danube's waters from the sector included between this station and the big Iron Gates I hydroelectric energy complex starting this year. Jobs at the Gogosu dam on the Romanian bank, at the lock and at the first two hydroelectric aggregates of the central are very advanced at this project. At the same time, special efforts are being made, with large

work forces being concentrated for the June deviation of the waters through the dam on the Romanian bank and through the actual central in the third quarter of 1984, thus moving to the tests for putting the first hydroelectric aggregates into operation. The machine building industry plays a big role in fulfilling this goal, since it is providing six bulb-type hydroelectric aggregates for the Romanian central and all the hydromechanical equipment for the dam, lock and central. Among the many machine building enterprises delivering equipment to this project, a special contribution is being made by the Resita machine building enterprise, which is producing a portion of the conducting equipment: the bulb-type hydroelectric aggregates of 27 MW, servo-engines, driving mechanisms for all the gates of the dams and centrals as well as for the lock.

Along with this big hydroelectric energy project we also can mention other capacities forecast to go into operation this year: the Ipotesti hydroelectric power central--54 MW on the lower Olt, the Slatina-Danube sector; the Dragan-Remeti hydroelectric power central--100 MW; the Racaciuni hydroelectric power central on the Siret--22.5 MW; the Dimbovita-Clabucet hydroelectric power central--64 MW; the series of hydroelectric power centrals on the Mare River; the Leresti and Voinesti hydroelectric power centrals on the Tirg River; the Sebes-Sasciori hydroelectric power central on the Sebes River and so forth, for which large work forces and material resources have been concentrated. Carrying out these large energy jobs continues to bring constant measures intended to lead to the intensification of rates of work, particularly for the excavation, concreting and injection jobs from the underground galleries attached to the hydroelectric power stations with big drops. At the same time, for some of these projects we are requesting greater aid from the machine building industry for delivery of the necessary energy equipment, mainly for providing the hydroelectric aggregates for the Dragan-Remeti, Ipotesti and Racaciuni hydroelectric power centrals.

Besides the hydroelectric power projects forecast to go into operation this year, numerous other hydroelectric power stations are being built and they involve a large volume of jobs whose start into operation is forecast for future years, among which are the Buzau hydroelectric power station, Siriu-Surduc, the Bis-trita-Poiana Marului hydroelectric power station, the hydroelectric power centrals on the last section of the lower Olt, the ura Lotrului hydroelectric power central on the Olt, the hydroelectric power centrals on the Crisul Repede, Alejd-Fughiu and others. Giving priority to the projects which must be placed into operation this year, at the same time it is necessary for the construction-assembly units to insure building of the largest possible volume of jobs this year and the projects scheduled to be put into operation in 1985 in order to have the guarantee of finalizing and connecting them into the economic circuit in conformity with the plan provisions.

In the thermoelectric energy area, the concerns of the energy workers are being directed in the following main directions:

Permanently continuing the construction-assembly jobs for the big energy projects with groups of condensation--the Turceni thermoelectric power central, the second stage on lignite, and the Anina thermoelectric power central, on bituminous shale, with both being equipped with 330-MW energy groups;

Intensification of rates of work for a number of electric power centrals for district heating operating on lignite, supplied with boilers of 420 t/h and 50-MW turbines, such as Giurgiu, Iasi, Suceava, Oradea II and Arad and the Craiova II thermoelectric power central--2 x 120 MW--with some of these scheduled to be put into operation this year;

The creation of necessary conditions for speeding up the jobs for a new batch of electric power centrals for district heating, whose work was begun in the recent period: the Bacau, Pitesti, Brasov, Slatina and Tirgu Jiu thermoelectric power centrals. In this regard, the Ministry of Electric Power has the task of speeding up approval for the execution designs for some of these centrals, a particularly important problem, on which depends the extending of the work fronts for the basic jobs for these projects (currently, execution has been approved just for the preparatory jobs and for organizing the job site);

Moving to the operation in the district heating system of some of the capacities for condensation existing with a view to taking over the city and industrial consumers in the particular locations, in this way providing for substantial reduction of special fuel consumption;

Amplification of the coal deposits for some electric power centrals, for the purpose of increasing the capacities for unloading, storage and handling of the coal and for creating the necessary conditions for improving activity at the particular electric power centrals.

The main forces of the construction-assembly sector currently are being concentrated on the projects forecast to be placed into operation this year. In particular we are interested in the following projects: the thermoelectric power plants of Turceni, Anina, Giurgiu, Drobeta-Turnu Severin, Govora, Craiova II and Iasi, which have a special role both in the balances of power and energy of the energy system as well as in supplying the industrial and city consumers with thermal energy. The Ministry of Industrial Construction has taken over doing the construction jobs for a number of new electric power centrals. The Ministry of Electric Power also has undertaken many measures to create the conditions needed for the good flow of jobs for these projects. Continuing, action is being taken to complete the documents for some of these jobs and for speeding up the rate of work for the projects where there are lags, such as is the case at the Aradelectric power plant for district heating.

Fulfilling the particularly big physical and value tasks forecast in the investment plan for the current year is conditioned directly by the equipment for the energy projects being assembled on time and in technological order. In accordance with the programs drawn up for this year, the Ministry of the Machine Building Industry units must deliver a volume of equipment totalling more than 150,000 tons, of which around 65,000 are for projects scheduled to be put into operation in 1984. The main volumes of deliveries are located at the steam boilers--with the supplier being the Vulcan enterprise in Bucharest, the turbo-aggregates, with the supplier being the Bucharest heavy machinery enterprise, and the hydroaggregates and hydromechanical equipment, with the suppliers being the machine building enterprises in Resita, Bocsa, Caransebes, the Iasi heavy equipment combine, equipment for coal management, including handling and waste machinery, with the suppliers being the UNIO enterprise in Satu Mare, the Baia

Mare IMMUM [expansion unknown] and the Timisoara Mining Enterprise. Until now a large volume of equipment has reached the job sites but, compared with the delivery programs, lags of more than 9,000 tons are being recorded, affecting both placing some of the energy projects into operation as well as fulfilling the investment plan. Whereas the lags for deliveries in the hydroelectric energy area mainly affect the hydroelectric power plants of Iron Gates II, Dragan-Remeti, Racaciuni on the Siret River and Ipotesti on the Olt, in the area of thermoelectric power the delays in delivery of equipment hinder the capacities being put into operation within the planned schedule for the electric power plants of Giurgiu, Govora, Drobeta-Turnu Severin, Iasi, Turceni and others.

Lags by the suppliers have a chain reaction on the activity of energy workers and builders on each job site separately, with undesirable implications for the respect for the schedules for placing the new projects into operation. We feel that both the units of our ministry as well as the supplying ones, belonging to the Ministry of Machine Building, can and must find the necessary solutions for speeding up the delivery of equipment and for providing a steady rate for the assembly jobs. The measures and actions taken until now, as well as those which will continue to be taken, will provide the conditions for recovering the lags in as little time as possible, for completely fulfilling the plan for 1984 and for placing the projects forecast into operation on schedule.

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